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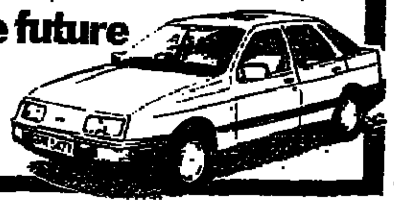
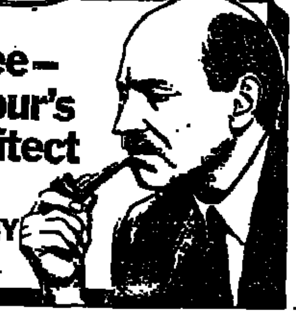
SAVINGS — PENSIONS — The CBI's approach to early leavers p.6

MOTORING — Ford's £650m car of the future p.9



FEATURES — RETAILING p.14 The lost wonder of Woolies — p.15 Kuwait's $70bn paper chase

BOOKS — Attlee — Labour's architect — NEW BIOGRAPHY REVIEWED p.10



TRAVEL — p.9 Holiday home swap

NEWS SUMMARY

GENERAL

Steel tells Liberals to close ranks

Mr David Steel, the Liberal leader, received a six-minute standing ovation from the party's assembly at Bournemouth after he called on them to close ranks following divisions caused by the surrender of prized constituencies to the Social Democrats.

He said they should make the alliance "unbeatable" at the next general election after the "strains, tensions and tiffs" generated by the row over the allocation of seats.

"We are ready to govern," he said. Back Page

Inquiry rejected

The president of Israel's supreme court rejected a Cabinet request to investigate the masacre of Palestinian refugees in Beirut. Back page

Pilgrims held

Saudi police clashed with thousands of Iranian pilgrims in the holy city of Mecca and arrested 100, among them a clergyman who is Ayatollah Khomeini's representative. Page 2

Jump-jet death

A U.S. Marine Corps Harrier jump-jet plunged into the Baltic Sea claiming the 12th life in three weeks of Nato manoeuvres.

Appeal to Queen

Aboriginal leader Charles Perkins, former adviser to Prime Minister Malcolm Fraser, said the Queen should not attend the Brisbane Commonwealth Games because that would identify her with a "fascist regime" in Queensland.

Bulawayo sweep

Troops cordoned off the western suburbs of Bulawayo, Zimbabwe, as people without identification papers were detained in hastily-constructed compounds.

Cricket walk-off

Australian captain Kim Hughes twice led his team off the field on the third day of the first cricket test against Pakistan after the crowd pelted them with stones. Pakistan were 330 for 6 at close of play.

Export bug

Three dozen boxes of a British-made muesli were withdrawn from a store in Nagoya, central Japan, after ¼-inch long insects were found in them.

Gun lore

Two polite, neatly-dressed gunmen robbed a homestead association near New Orleans of an undisclosed amount of cash and shouted "Reaganomics made us do it" as they made their getaway.

Light wine

Police in northern Italy seized 26m gallons of liquid and charged 86 people with selling a mixture of water, sugar and colouring as fine Italian wine.

Briefly . . .

Government rejected the idea of a ban on soccer fans travelling to England matches abroad.

Sarah, Lady Andley, second daughter of Sir Winston Churchill died in London aged 67.

BUSINESS

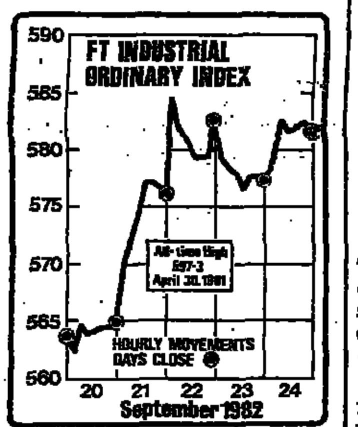
Dollar at five-year high of Y266.35

● DOLLAR was boosted by news that Dai-Ichi Kangyo Bank, Japan's largest bank, had sustained Y9.7bn (£21.46m) foreign exchange losses. It rose to Y266.35 (Y264.8), a five-year high, DM 2.5145 (DM 2.51) and SwFr 2.1645 (SwFr 2.15), a one-year high. It was unchanged at FFr 7.095. Its trade weighted index was 123.1 (122.4). Page 21; Unauthorised dealings in Singapore, Page 19

● STERLING lost 30 points to $1.708. It was unchanged at DM 4.295, rose to SwFr 3.695 (SwFr 3.68) and fell to FFr 12.1175 (FFr 12.135). Its trade weighted index held at 91.8. Page 21

● GOLD fell $9.5 to $428 in London. In New York, the Comex September close was $416.3 ($433.5). Page 19

● EQUITIES revived. The FT 30-share index added 4.4 to 581.6. Rises in consumer shares helped to lift the FT-Actuaries



Industrial Index by 0.9 per cent to 373.36 and the 500 group index by 0.8 per cent to 400.46, both record highs. Page 22

● GILTS turned dull. The Government Securities index lost 0.25 to 73.80. Page 22

● WALL STREET was off 7.91 at 917.86 near the close. Page 18

● BANK OF ENGLAND is to raise £1.25bn through the issue of a new medium-short tap stock, 10½ per cent Exchequer 1989. Back Page

● BRAZIL is to tighten further its stringent import controls. Page 2

● MEXICO'S current account deficit fell by $100m to $4.16bn (£2.43bn) in the first half of 1982. Page 2

● JAPANESE Cabinet approved a package of measures to cut public spending and bureaucracy. Page 2

● BNOC intends to hold the price of North Sea oil at $33.50 a barrel for the fourth quarter. Page 3

● BRITISH STEEL Corporation announced 700 further job losses at its Scunthorpe plant. Page 3

● MATCHBOX TOYS has been bought from the joint receivers of Lesney Products by Universal International Holdings, Hong Kong toy maker. Back Page

● AURORA, engineer, turned in pre-tax profits of £283,000 for the first half of 1982, against losses of £221,00. Page 16; Lex, Back Page

● ADWEST, engineering and electrics group, raised taxable profits from £5.8m to £6.71m in the year to end-June. Page 16

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES:					
A.B. Electronic	267	+ 5	Newarthill	570	+ 38
Aitken Hume	195	+ 20	Nu-Swift	40½	+ 2½
Allied Colloids	312	+ 11	ORE	235	+ 10
Aurora	12	+ 4	Polly Peck	530	+ 45
Barratt Dev.	352	+ 8	Sketchley	332	+ 18
Beecham	342	+ 8	Smith (W. H.) A	253	+ 8
Braby Leslie	69	+ 12	Wearwell	51	+ 6
Clark (M.)	176	+ 10	Anglo Amer. Corp.	715	+ 20
Debenhams	92	+ 4	Marievale	202	+ 18
Dixons Photo.	197	+ 15	FALLS		
Equity & Law	326	+ 10	Treasury 12% 1987	£107	− ¼
Fobel Intl.	53	+ 5	Assoc. Dairies	148	− 8
Glaxo	800	+ 11	Dinkie Heel	9½	− 2
Greenbank	44	+ 3	Kwik Save	280	− 12
Harris Queensway	236	+ 8	Manson Finance	37	− 3
Lec Refrigeration	250	+ 20	Wimpey (G.)	108	− 5
			Cons. Gold Fields	430	− 8

Woolworth to close 336 stores in U.S.

BY DUNCAN CAMPBELL-SMITH IN LONDON AND PAUL BETTS IN NEW YORK

SWEEPING CHANGES were planned on both sides of the Atlantic yesterday in connection with the F. W. Woolworth retailing group.

In New York the U.S. parent company announced plans to close its countrywide retailing chain of 336 Woloco discount stores in early 1983.

The move is part of a restructuring aimed at eliminating persistent money-losing operations.

In London it emerged that F. W. Woolworth, which is 52.6 per cent owned by the U.S. company, will be the target of major revitalisation plans if control of the subsidiary passes to a consortium now in the final stages of bid talks with the U.S. parent.

Mr Edward Gibbons, chairman of the U.S. retailer, fourth largest in the country, said: "Our decision represents a key step forward in the company's on-going strategic plan which includes support for strong profitable divisions, accelerated expansion of successful specialty retailing operations and the redeployment of assets away from areas producing low or no return on investment."

The Woolco Discount operation, which is separate from the main Woolworth chain of stores, last year had sales of $2.1bn but an operating loss of $19bn before other costs, included heavy interest expenses on debt.

The Woolco division had an operating loss of $21m in the first six months of this year before interest expenses and sales of $1bn.

The division was set up to compete against the growing tide of discounters in the U.S. retail market, dominated by the K-Mart chain.

Woolworth said last night that it intended to set up an after-tax provision of an estimated $325m in the current fiscal quarter as a result of its decision to dispose of its U.S. Woolco division.

But the company said the size of the loss provision might be changed depending on completion of sale of the company's controlling stake in the British subsidiary, the amount received from that sale, and related considerations.

The U.S. plans were announced hours after first details emerged on the identity of the consortium bidding for the UK subsidiary.

It became clear yesterday that Charterhouse Japhet, the merchant banking arm of the Charterhouse group, was the principal architect of the bid in the UK.

A syndicated loan of £170m for the bidding consortium is being negotiated with a group of English and Scottish banks while equity capital and loan stock is being sought from a large group of City institutions.

These include the Prudential and Legal and General Insurance. Other institutions which have been approached include some, like the Post Office Superannuation Fund, which are understood to be less than enthusiastic.

Institutions still considering joining the consortium include M and G unit trust group, which said yesterday that it was "delighted that someone has taken the initiative to tackle Woolworth's problems."

Charterhouse itself made no comment on future plans. But the proposed takeover is understood to envisage establishment of a new senior management which would draw upon limited sales of Woolworth's latent property assets to finance a sweeping overhaul of its retailing operations.

It is proposed that terms of an offer to the minority shareholders be disclosed at the same time, together with the names of the consortium members.

Feature, Page 14; Lex Back Page

Trade balance slips into £37m August deficit as exports fall

BY MAX WILKINSON, ECONOMICS CORRESPONDENT

THE VOLUME of Britain's exports, excluding oil, fell sharply in August according to official figures published yesterday.

The surplus on trade in oil rose to £484m for the month—the highest this year and almost double the total surplus earned on oil in 1980.

However, even after taking this rise into account, the balance on all visible trade slipped back into a deficit of £37m after a surplus of £166m in July. After adding the surplus earned on invisible trade, the current account of the balance of payments was in surplus of £163m for August, less than half the comparable July figure.

The gloomiest aspect of yesterday's trade figures was the fall shown in the volume of non-oil exports to a level about 13 per cent below that achieved during the spring.

The average performance of non-oil exports in the three months from June to August, was 8½ per cent below what had been achieved in the previous three months.

These figures confirm the generally gloomy tone of the last industrial survey by the Confederation of British Industry, which pointed to the depressed state of demand and weak export order books.

During June to August, the volume of non-oil imports also fell—by 4½ per cent compared with the average for March to May. However, non-oil imports in August were nearly 14 per cent above the average volume in 1980, whereas the volume of non-oil exports was 11½ per cent below the 1980 average.

The August figures seem somewhat worse than the recent trend, and although an judgment cannot be made on the basis of one month's figures, they offer no comfort for the immediate future.

In the three months from June to August, non-oil visible trade was £925m in deficit. This compared with a surplus of £912m in 1980. On the basis of the trend of the past six months the deficit for a full year on visible trade other than oil would be about £3bn.

This compares with a surplus on oil trade, which on the same basis, is running at an annual rate of just under £4bn.

For the first half of this year, the surplus on current account was £1.61bn.

BALANCE OF PAYMENTS
(current account)
£m seasonally adjusted

	Visible trade	Invisible trade*	Current balance
1981 Q4	+490	+993	+ 1,483
1982			
Q1	+323	+397	+720
Q2	+103	+784	+887
1982			
Jan	−114	+132	+ 19
Feb	+117	+132	+309
Mar	+260	+132	+392
Apr	+224	+261	+458
May	−114	+262	+148
June	− 7	+261	+254
July	+166	+200	+366
Aug	− 37	+200	+163

* Invisibles are estimates subject to revision.

Formal Hong Kong talks agreed

BY TONY WALKER IN PEKING

BRITAIN AND CHINA agreed yesterday to enter into formal negotiations on the future of Hong Kong despite differences on sovereignty, which talks between Mrs Margaret Thatcher and Mr Deng Xiaoping, the supreme Chinese leader, failed to resolve.

Emphasising a change in the tone of contacts between Peking and London on Hong Kong, Mrs Thatcher said after three days of talks in the Chinese capital that she expected the coming negotiations to be "much more intense, much more speeded-up," at official level.

A joint statement after Mrs Thatcher's meeting with Mr Deng said: "Both leaders made clear their respective positions on the subject.

"They agreed to enter talks through diplomatic channels following the visit with the common aim of maintaining the stability and prosperity of Hong Kong."

Chinese officials said Peking had wanted to include in the joint statement the Chinese position on sovereignty, but were unable to secure Britain's agreement.

Xinhua, the official New China News Agency, in its reporting of joint statement, included reference to the Chinese Government position on "recovery of the sovereignty of the whole region of Hong Kong," which it described as "unequivocal and known to all."

However, the two leaders could not agree on the sovereignty issues. China claims as her territory all Hong Kong, including the island and the New Territories on the mainland. The latter, more than 90 per cent of Hong Kong, is held under a lease expiring in 1997. Britain claims Hong Kong island and part of the Kowloon Peninsula on the mainland in perpetuity.

Mrs Thatcher, first serving British Prime Minister to visit China, would not be drawn on details of the discussions. To "maintain confidence, it is necessary to maintain confidentiality."

She described the issue as complex, but hoped it "would not take too long to sort out."

Asked to re-state Britain's position, she said: "You will know that there are in fact treaties in existence. We stick by our treaties, unless we ever agree on something else. At the moment we stick by our treaties."

The talks with Mr Deng were conducted in a "friendly atmosphere." She had held more than six hours of talks with Chinese leaders. Most focused on Hong Kong.

Japan keen to improve links with China, Page 2

CONTENTS

For latest Share Index phone 01-246 8026

France moves to defend franc

By David Housego in Paris

THE French Government is expected soon to announce substantial new exchange controls to strengthen the defence of the franc.

The new measures follow the recent raising of a $4bn (£2.3bn) loan on the commercial markets to bolster the foreign exchange reserves. They are intended as a further signal that the Government intends to resist a third devaluation of the franc and is committed to remaining in the EMS.

Trying to pre-empt the re-emergence of further pressure on the franc which foreign exchange dealers believe could occur later this year, the Government also wants to avoid the introduction of a formal two-tier foreign exchange system involving a commercial and a financial franc. An important by-product of the measures are that they are likely to result in a slowing down of imports thus helping to ease the trade deficit.

Under the new system of controls, French exporters will effectively be prevented from invoicing in French francs. At the moment about two thirds of French exports are invoiced in francs.

Exporters will either be required to invoice in a foreign currency and then, 14 days after shipment, convert the foreign exchange into French francs, or, they will be allowed to invoice in French francs but also required, 14 days after shipment, to convert the equivalent in foreign currency.

The effect is to increase purchases of French currency thus boosting the franc. The measure reinforces a similar move the Government made in May last year, shortly after taking office, when the franc was also under pressure. Under this, French exporters were required 14 days

Continued on Back Page

Money markets, Page 21

£ in New York

—	Sept. 24	Previous
Spot	$1.7065-7075	$1.7160-7175
1 month	0.05-0.07 pm	0.05-0.07 pm
3 months	0.42-0.45 pm	0.38-0.41 pm
12 months	3.15-3.25 pm	3.10-3.25 pm

TGWU plans to act against imports of foreign-made cars

BY JOHN LLOYD, LABOUR EDITOR

THE TRANSPORT and General Workers' (TGWU) Union plans to use its industrial strength in the docks, road transport and the motor industry to impose controls on the importing of foreign-made cars to the UK.

The immediate object of its unprecedented action will be General Motors' "S" car, its much-heralded challenger in the small car market currently occupied by such models as the Ford Fiesta and the BL Metro.

Mr Moss Evans, the TGWU general secretary, said yesterday that the union would impose a "total handling ban" on the model, from when the first of an expected 150,000 cars a year are due to arrive, next March, until the company begins to assemble the car in the UK.

The "S" car is already under production in a custom-made plant in Spain. Vauxhall Motors, GM's UK subsidiary, said last night that the company had no plans to assemble the model in Britain. The company added, however, that the possibility could not be ruled out if the market improved.

However, Mr Evans said that while the "S" car was the "first on the anvil," the union's moves "could widen and include other companies.

Imports now accounted for 50-55 per cent of the UK car market and half or more of the sales of various popular models were of cars made abroad. They included 48 per cent Fiestas, 54 per cent of Ford Cortinas, 48 per cent of Vauxhall Cavaliers, 55 per cent of Vauxhall Astras and 71 per cent of Talbot Horizons.

Mr Evans said those import levels had "seriously undermined the fabric of the vehicle building industry. "We need to do something serious about it. We don't appear to be having any impact on the Government. Therefore, in spite of the risks we are taking, we must do something ourselves."

He said that the union was unlikely to be deterred by threats of legal action, although he acknowledged that some dockers might feel reluctant to implement the ban.

The union is to co-ordinate the action between four of its industrial groups — docks, vehicle building, commercial transport and white-collar— under the charge of Mr Alex Kitson, the TGWU deputy general secretary.

Mr Grenville Hawley, the union's automotive group secretary, said talks with Vauxhall (General Motors' arm in Britain) over import levels had been going on for years without agreement. He said the union believed that the car plants at Luton and Ellesmere Port would be regarded as uneconomic, and thus vulnerable to closure, if new lines were not added to the present models.

Vauxhall

Vauxhall assembles the Cavalier and Chevette at Luton, and the Astra at Ellesmere Port. The company said last night that the plants were close to capacity on single-shift operation, and would not increase to double shifts while the market remained weak.

Vauxhall said it regretted the TGWU's decision, but added that it required substantial stocks of the "S" car to complete its range and help sales of its British-built models. The company said about £20m worth of UK components were incorporated in the "S" car.

Unions at Vauxhall also might ask dockers to help them block current imports of the company's models, including the Astra and the Cavalier, if talks on the company's 7.25 per cent pay offer were to break down irreparably.

● The TGWU is to press the TUC General Council to impose an embargo on the handling of all Israeli ships and aircraft, until Israeli forces withdraw from Lebanon. The issue is to be discussed at the next meeting of the TUC's international committee, of which Mr Evans is the new chairman.

OVERSEAS NEWS

WEST GERMAN GOVERNMENT CRISIS

Bonn watches the omens in Hesse's poll

BY JAMES BUCHAN IN BONN

THE WEST GERMAN state of Hesse goes to the polls on Sunday in one of the most important and exciting provincial elections in the history of the Federal Republic.

The result on Sunday night could be decisive not only for the planned vote of no-confidence to throw out Chancellor Helmut Schmidt's government in Bonn, but also for the very survival of the tiny Free Democrat party.

Already in June, the Hesse FDP, under Herr Ekkehard Gries voted to end their 12-year coalition with the Social Democrats (SPD) in Wiesbaden and aim for an alliance with the Christian Democrats (CDU).

This presaged doom for the 13-year-old SPD-FDP coalition in Bonn, which finally collapsed last week in a welter of recrimination.

In the summer, the Hesse Free Democrats were arguing that a break from the coalition with the SPD was the only way of stopping erosion of their support.

The new fear, however, is that voters will baulk at the FDP's desertion of its old ally, both in Hesse and at a general election, and that the party will as has been said in Bonn, "committed suicide for fear of death.

The omens are bad. A poll carried out by the Allensbach Institute in the week since the government crisis in Bonn, and published yesterday, gives the FDP a mere 2.3 per cent of the national vote in a general election. It needs 5 per cent for representation in parliament. This compares with 5.1 per cent for the FDP at the last Allensbach poll in July.

Not surprisingly, talks in Bonn on the formation of a new federal government of CDU, its Bavarian sister party, the CSU, and the FDP have been frozen until the result from Hesse is known on Sunday night.

For if Herr Gries, who achieved 6.6 per cent in the last Hesse election in 1978, slips under 5 per cent, what hope is there for Herr Hans Dietrich Genscher, the national FDP chairman, in Bonn and the general election set, at the moment, for March 6?

In comparison, the question as to whether Herr Dregger, who has steadily brought the CDU up from under 30 per cent of the vote in 1970 to 46 per cent in the last state election, can achieve an absolute majority is almost academic.

Herr Holger Boerner, a giant of a man who is the SPD prime minister of Hesse, managed 44.3 per cent in 1978, but has lost support on the left of his party and among young voters, not least through his insistence that a new runway be built for Frankfurt Airport despite the ecological problems.

The "runway party," as it is known, is likely to cluster round the Greens, the ecologists' movement, who are all but certain to triple their 2 per cent in 1978 and achieve representation.

If the CDU does not achieve an absolute majority, then Herr Boerner would theoretically be able to retain power in coalition, but has vowed to have nothing to do with the Greens, whom he has dubbed as "fascists." In the circumstances, the election may prove less decisive for the 4m Hessian voters than for the politics of Bonn.

I G Metall set to claim maintenance of real incomes

BY STEWART FLEMING IN FRANKFURT

I G METALL, West Germany's largest trade union has announced that its top priority in the next pay negotiations will be to maintain real incomes.

This first hint of a negotiating stance was given yesterday by the head of the union, Herr Eugen Loderer, following three days of private debate among I G Metall's top executives. The union is traditionally the pace-setter in the annual wage round that starts in January.

But Herr Loderer refused to be drawn into discussing specific figures for either the size of the claim or the 1983 inflation assumptions on which it would be based.

Union leaders have, however, had to bow to the political and economic realities facing them in outlining their target.

In each of the past two years, I G Metall has been unable to secure a general wage increase for its members above the prevailing rate of inflation.

In 1981, the union secured a 5.3 per cent increase after having made an 8 per cent claim. But inflation that year ran at 5.9 per cent.

This year, the union secured a 4.2 per cent rise after putting in a 7.5 per cent claim, and it looks as though the cost of living will rise about 5 per cent.

With productivity expected to increase about 3 per cent this year, the modest rise in wage costs has been an important factor contributing to the slow-down in inflation.

The next wage round seems likely to be conducted against even less favourable conditions for unions than this year. Unemployment has risen sharply, and unions face a Government swing to the right.

West Germany has lifted its embargo on arms deliveries to Argentina, imposed during the Falklands conflict last April, an Economics Ministry spokesman said yesterday, Reuter reports from Bonn.

The Hamburg shipbuilding company Blohm and Voss, which is building four frigates for the Argentine Navy, said it had been given oral permission to deliver the ships, the first of which should be completed by the end of this year.

New Brezhnev bid to strengthen Iran ties

BY ANTHONY ROBINSON IN MOSCOW

MR LEONID BREZHNEV, the Soviet President, flew to the Azerbaijani capital of Baku on the Caspian Sea yesterday in a surprise move which Western diplomats believe heralds a fresh attempt to improve relations with Iran.

The ostensible reason for the visit is to confer the Order of Lenin on Azerbaijan in recognition of its economic achievements. This will also reflect glory on Mr Geidar Aleyev, the 57-year-old Republican party secretary, who is believed to be one of Mr Brezhnev's favourite younger proteges.

But Mr Brezhnev is expected to use the occasion to make a major foreign policy speech on the Middle East in general and relations with Iran in particular. Soviet media comment, and particularly Soviet radio broadcasts in Persian, have been much less critical of the Iranian regime in recent months at a time when Iranian comment has grown increasingly anti-Soviet in tone. The Soviet Union is also extremely worried about the Iran-Iraq war and has consistently called on the two sides to end their struggle. The conflict can only further the interests of the U.S. in the region, the Soviet Union has warned on many occasions.

Continuing Soviet concern about internal developments in Iran and the risk of contagion over the Soviet border was signalled last month when a team of Iranian wrestlers was refused a Soviet entry visa for a match in Baku. Western diplomats here believe that the Soviet authorities did not want to risk pro-Islamic slogans or other demonstrations which might have encouraged Islamic or pro-Iranian sentiments among the Soviet Azerbaijani population.

Mr Brezhev's visit to Baku is his first working visit outside Moscow since March, when he made a major speech in Tashkent calling for improved Sino-Soviet relations.

● The Soviet Union has offered to build a 1,000 MW nuclear reactor which would double the capacity of the existing Tarapur plant near Bombay, according to Indian reports. The offer was apparently made during Mrs Gandhi's talks in Moscow with Mr Nikolai Tikhonov, the Soviet Prime Minister.

President Brezhnev

Saudis 'broke up Mecca gathering'

JEDDAH — Saudi Arabia said yesterday its security forces broke up a gathering of Iranian pilgrims in Mecca but denied a Tehran radio report that police used teargas and made baton charges.

The official Saudi Press Agency quoted an Interior Ministry spokesman as saying security forces dispersed pilgrims carrying pictures of the leader of the Iranian revolution, Ayatollah Ruhollah Khomeini.

The spokesman said the crowd, outside a building in Mecca used by Iranian pilgrims, also displayed banners, but it denied a Tehran radio report that some staged a sit-in at a mosque after others were arrested.

Reuter

Poland hits at Western banks

A SENIOR Polish government official has complained that Western banks are showing a lack of "long-sighted realism" in dealing with the country's debt problem, writes Christopher Bobinski in Warsaw.

The statement by Mr Stanislaw Dlugosz, deputy head of the planning commission, came as Polish negotiators are nearing agreement with western banks on rescheduling $3.4bn of debt due this year. But Mr Dlugosz said "there is no point in talking of repaying our debt over the next seven or eight years. We need a much longer period."

Mr Dlugosz's words do not indicate any backing-off from the imminent 1982 rescheduling deal. But it does reflect a grow-in disenchantment with year-by-year rescheduling agreements.

New chairmen for Italian state concerns

BY JAMES BUXTON IN ROME

THE ITALIAN Government yesterday appointed new chairmen for both IRI and ENI, the two main state holding companies which are among the largest enterprises in the world.

The new chairman of IRI (Instituto per la Recostruzione Industriale) is Sig Romano Prodi, a 43-year-old economist who for a short time in the late 1970s was Minister of Industry. He replaces Sig Pietro Sette, a veteran state sector manager, who had run the industrial holding company for nearly four years.

ENI (Ente Nazionale Idrocarburi), the state energy company, is to be run by 55-year-old Sig Umberto Colombo, currently chairman of ENEA, the Italian nuclear authority. He will replace Sig Enrico Gandolfi, the Special Commissioner who was installed at ENI last March for an initial six month period.

The appointments appear to have been much less bitterly contested than in the recent past. Last spring, the sudden sacking by the Government of Sig Alberto Grandi as chairman of ENI sparked a serious political row, because it was seen as a blatant attempt to replace the Christian Democrat nominee with a Socialist, Sig Leonardo di Donna.

In the end, the 68-year-old Sig Gandolfi had to be brought in as a neutral interim commissioner.

Until almost the last moment it appeared that Sig Gandolfi would be made chairman for the next three years. But, in the end, the Socialists insisted that Sig Colombo, a technocrat connected to the party, was brought in. He becomes ENI's fifth boss in three-and-a-half years.

Sig Prodi, at IRI, is likewise primarily a technocrat though connected to the Christian Democrat party like his predecessor Sig Fettes. The replacement of the publicity-shy Sig Fettes appears to have been brought about by Sig Ciriaco de Mita, the Christian Democrat secretary, who is anxious to put a new face on Italy's long ruling party.

At EFIM, the third and much smaller state industrial concern, Sig Corrado Fiaccavento, connected to the Social Democrat Party, has been reappointed as chairman.

All three chairmen face alarming problems. IRI is expected to lose L2148bn (£900m) this year on turnover of more than L30,000bn due to its enormous debt and the disastrous performance of the state steel industry. ENI, whose turnover in 1981 was L37,000bn, is expected to lose more than L400bn this year due, in part, to its heavily loss-making chemicals sector.

Reckoning soon on Lisbon's electricity bill

BY DIANA SMITH IN LISBON

ELECTRICIDADE de Portugal, the Portuguese electricity corporation, plans changes that the Balsemao government hopes will induce rebellious local authorities to pay the Esc 30bn (£208m) they owe and give authorities more say in corporation policy.

The Corporation is in a bizarre position, saddled with mounting debts due to the large gap in operating funds caused by the municipalities' debts.

Oporto, for instance, Portugal's second city, with a population of about 500,000, owes the corporation Esc 5bn. It has not paid anything since 1978 for the electricity it receives from the corporation

And it is charging consumers the 1977 rate of Esc 1.10 a kilowatt hour. Current corporation rates are Esc 4.95.

According to a government source, Oporto probably charges the lowest rate for energy in the world, barring rice husks.

As with so many of Portugal's headaches, the problem began in 1975, with the abrupt nationalisation without compensation of 14 private companies that distributed electricity and enforced incorporation into the newly-created corporation. This was intended to link the low and medium voltage distribution systems that some of the country's 300 municipalities operated.

The first municipal systems to be incorporated were in unprofitable poor rural areas such as Tras os Montes and the Alentejo. But the revolution cooled off and many areas, namely more developed urban zones, stayed outside the corporation, though they did receive electricity from its grid.

Meanwhile, the municipalities had few funds at their disposal and either could or would not pay the corporation for electricity they were receiving.

The Government is setting up arbitration committees to persuade rebellious authorities to admit they owe money.

Second, the corporation's statutes are to be changed to permit local authorities stronger representation on the board of directors and on new regional councils and local distribution centres.

And the Government has issued a decree that grants local authorities the right to distribute electricity, either directly or as corporation concessionaires, then reclaim incorporated distribution rights and assets over the next five years.

But authorities will have to pay the corporation the full market price for any extensions made in former corporation areas. All corporation staff will have to be taken on at equal status and pay by the reclaiming municipality. Finally, municipalities will only be allowed to distribute low voltage, not medium.

There is a slightly machiavellian flavour to all this, and the contradictorily-worded decree panicked corporation workers into believing the authorities were planning to dismantle the organisation, so they went on strike for a day. In fact, the Government plans to reinforce the corporation by very roundabout Portuguese means.

Marseilles medical fund scandal spreads

By David White in Paris

WHAT STARTED as a political scandal surrounding M René Lucet, former head of Marseilles' regional medical fund, has turned instead into a juicy case of fraud and embezzlement, involving a chain of civil servants and building contractors.

When M Lucet was found dead in his home in March, the opposition Press and the more conservative unions rose in arms. The Communist-led CGT union had been engaged in a bitter fight over the way M Lucet was going about bringing the fund's finances into order. A few days before, the Government had suspended M Lucet from his job.

If it was suicide, as supposed, then how did M Lucet manage to fire two bullets into his head? An investigation was ordered. In six months, it has still not managed to solve the death riddle. But it has uncovered a long trail of forgery scandals surrounding public works contracts.

The trail, which has gone by way of the Marseilles town hall (but without touching the mayor, M Gaston Defferre, who is also Minister of the Interior) and the scandal-ridden business circles of Nice, has now led back to the place where it all began.

Six more names were added to the long list of indictments this week, including the man who served as M Lucet's number two and who has taken his place. His assistant has been detained and charges brought against four company chiefs.

The state prosecutor pointed the finger directly at M Lucet. A communique stated that under his management the fund had paid contractors' bills to a value "well above" what they should have been. It added that this practice was "known to the management" and that during this time "large sums" appeared on M Lucet's own account, which did not correspond to any declared source of income.

Investigators have so far declined to suggest how much money is involved in the alleged frauds.

Zinc producers seek European crisis fund

BRUSSELS — European zinc producers have requested formal permission from the European Commission to set up a crisis fund to finance plant closures in the recession-hit industry, officials said yesterday.

The plan, drawn up by about 12 major companies, envisages shutting down around at least 150,000 tonnes, or 10 per cent, of total annual production capacity, they said.

It is now under study by the Commission's Competition Department, which has wide powers over industrial competition and co-operation in the 10-nation European Community.

The officials said the proposals represented a unique attempt by a group of companies to cope with effects of recession.

Demand for zinc, used extensively in batteries, steel galvanising, roof coverings and brass, has slumped in line with the general economic downturn over the past few years.

The fund, whose size the officials declined to reveal, would allow all producers to share closure and redundancy costs at individual plants.

The zinc companies, who have found their profits slashed by rising costs and falling demand, hope the closures will prop up prices on international markets. Zinc currently sells at $800 per tonne against the $950 companies could charge at the beginning of this year—Reuter

Brazil to tighten up import controls in new austerity drive

BY ANDREW WHITLEY IN RIO DE JANEIRO

Antonio Delfim Netto

THE BRAZILIAN Government is to tighten drastically its already stringent import controls. The list of banned products is expected to be increased considerably, while all quotas on permitted imports are to be reduced.

This year exports have fallen by over 10 per cent. This has virtually eliminated the hoped-for large trade surplus and forced the latest measures onto an embattled Government, which is struggling to avoid recourse to the IMF for help.

As the central plank in its austerity drive the Government has also confirmed that it aims to cut the public sector deficit by over half next year.

In an interview with the mass-circulation newspaper "O Globo" yesterday, Sig Antonio Delfim Netto, the Planning Minister, said the deficit would be reduced from the current 5.6 per cent of GDP to only 2.5 per cent.

Businessmen widely anticipate a series of restrictive measures to be announced after the November general elections, including an end to the inflation-proofing of wages and, possibly, the rationing of petrol and diesel so as to further reduce the oil import bill.

The National Energy Council in Brasilia is now studying a plan to cut next year's oil imports by nearly a quarter from the 1982 figure of 730,000 barrels a day. Oil still accounts for half of all Brazil's imports, despite diversification into alternative fuels and stimulation of domestic production.

In the first half of this year the oil import bill came to $4.8bn, out of total imports of $9.7bn. Overall, the latest figures show imports down by 13 per cent by comparison with last year but the weakness of exports has meant that the trade account is going to be of little help in reducing the country's current account deficit.

The new import controls, affecting virtually all non-oil goods, are expected to be announced early next week.

Interest payments boost Mexico's first-half deficit

BY WILLIAM CHISLETT IN MEXICO CITY

MEXICO'S current account deficit in the first half of 1982 was $4.16bn (£2.43bn), only $100m less than the corresponding 1981 period despite greatly reduced economic activity.

The deficit was largely due to a 70 per cent increase in interest payments of $3.9bn on the public sector external debt of $60bn.

Mexico's debt crisis has caused the economy to come to a standstill after four years of high growth. The economy is expected to grow by 1 to 2 per cent in real terms this year after a rate of 8 per cent last year.

The Bank of Mexico figures confirmed that the Government's austerity measures, introduced after February's 45 per cent devaluation of the peso, are beginning to have an impact.

Imports in the second quarter were down to $4.4bn from $5.9bn in the second quarter of 1981 and $4.4bn in the first three months of 1982.

As a result, Mexico registered a trade surplus of $700m in the first half of the year compared to a deficit of $1.1bn for the first six months of 1981.

Tourism income, surprisingly, dropped $123m to $822.5m despite the new exchange rate. However, expenditure by Mexican tourists abroad, which has been a heavy drain on the current account, was down $88m to $522.7m.

The Government believes that the current account deficit for the year will be between $8bn and $10bn compared to last year's record $11.7bn.

All imports are subject to the licensing system from this month and full exchange controls are in force in an attempt to bolster the shaky position of the reserves, which have been shattered by massive outflows of capital.

Errors and omissions, which are taken as an estimation of outflows of capital, were $2.89bn in the first half of the year as against $1.5bn in the corresponding 1981 period.

Venezuela plans talks soon on $600m loan

BY KIM FUAD IN CARACAS

VENEZUELA is to begin negotiations soon for a $600m to $800m loan to convert its short-term debt to medium and long-term, public finance general Director Ignacio Sandoval reports.

Dr Sandoval said that notwithstanding deteriorating financial market conditions, Venezuela intends to continue its programme of refining short-term debt. According to Finance Minister Luis Ugueto, 47 per cent, or $8.7bn of Venezuela's $18.5bn foreign debt is short term.

Additionally, Venezuela is also approaching banks to substitute medium and long-term Republic of Venezuela obligations for short-term debts incurred by state entities, such as Inos, the state-owned waterworks. "The idea has been well received by the banks," Dr Sandoval said.

El Salvador poll date set

BY ANATOLE KALETSKY IN WASHINGTON

GENERAL ELECTIONS, which will create a fully constitutional government in El Salvador, will be held in the spring of 1984, Sr Alvaro Magana, the country's president, said in an interview published yesterday.

The constituent assembly, which was created last March after a controversial election strongly supported by the Reagan Administration, has "substantially changed" the country's political and military situation.

It may have persuaded leftist guerrillas that they could not win a military victory and it has convinced many governments in Europe and Latin America that El Salvador "now has a legal government" and made good progress towards writing a new constitution.

Sr Magana said that a constitution should be ready by the spring of 1983, preparing the way for a presidential election a year later.

Public sector pay freeze in spending cuts package

TOKYO—The Japanese Government, struggling to reduce a huge budget deficit, yesterday won Cabinet approval for a package of measures to cut public spending and bureaucracy.

The Cabinet endorsed a decision taken earlier this week to freeze a 4.5 per cent pay rise for 500,000 government employees. It also ordered a temporary halt to new recruitment by state-run Japanese National Railways (JNR) as part of plans to rehabilitate rail finances within five years.

JNR, with long-term debts of Y17,000bn ($64bn), is expected to report a fiscal 1982 deficit of about Y1,500bn ($5.8bn) despite large Government subsidies, and has already embarked on its own cost-cutting programme including cutting its staff by 70,000 to 350,000 by 1985.

The Cabinet also announced two bodies to be set up to supervise JNR's revival — a Government committee and a special ministerial council.

The pay freeze, which has already prompted a token strike by some transport workers, is expected to save the government Y322bn ($1.2bn) a year. This year's tax revenue shortfall is likely to reach Y6,000bn ($22.6bn).

Mr Zenko Suzuki, the Prime Minister, called on local authorities to match the freeze —the first on government workers since 1949—by deferring the next pay rises for their 3m employees.

Wage increases for government staff are recommended by the national personnel authority, an independent body set up as a counterweight to the law which denies public servants the right to strike.

Other measures recommended by a special committee include reviews of the old age pension system and state-subsidised public health expenditure.

Reuter

SUZUKI'S VISIT TO PEKING

Japan keen to improve links with China

BY RICHARD HANSON IN TOKYO AND COLINA MACDOUGALL IN LONDON

MR ZENKO SUZUKI, Japan's Prime Minister, arrives in Peking tomorrow to commemorate the tenth anniversary of the post-war restoration of official, and mostly friendly ties with China.

The two sides have agreed not to allow a recent controversy over changes to Japanese history textbooks to mar the visit.

Mr Suzuki plans to hold two meetings with China's premier, Mr Zhao Ziyang, who himself paid a visit to Tokyo in June before the row broke out. On Wednesday, Mr Suzuki will deliver a memorial speech, after which he will tour southern China.

During his visit, Mr Suzuki will sign *diplomatic* notes on the extension of Y65bn (£144m) in loans this year to finance five development projects. Agreement on this loan was swiftly reached in talks last August despite the textbook row, suggesting that neither side wants its economic ties disturbed.

Sino-Japanese relations reached a ten-year low over the summer as a result of reports of revisions in high-school textbooks in Japan, which softened descriptions of Japanese behaviour before and during World War II. These involved, for instance, substituting the word "advance" for "aggression" when describing the Japanese invasion of China.

A diplomatic solution to the problem was found last month. The Chinese government accepted a Japanese promise to amend the revisions, and Mr Suzuki is expected to offer assurances on this during his trip.

Japan and China restored postwar diplomatic ties with the signing of a joint communique on September 29, 1972, but not until 1978 was a treaty of peace and friendship agreed.

Since then, until the textbook row, political relations have blossomed, with earlier visits to Japan by China's paramount leader Deng Xiaoping and former Chairman Hua Guofeng, as well as premier Zhao.

Of the projects to be financed under the 1982 aid agreement which Mr Suzuki will sign, two are coal-loading facilities and two are rail improvements. They were originally approved under China's aid pact with Japan, signed in 1979.

A fifth will come in the form of commodity loans to finance two additional projects, originally to be paid for *through commercial credits.*

Though Sino-Japanese trade last year stood at over $10bn, ten times the pre-1972 figure, the last 18 months have seen increasing problems. Last year, Japan had its first deficit in bilateral trade, with their exports, at $5bn, some $300,000 below imports.

That deficit grew in the first half of last year to nearly $1bn, with Japanese exports falling by over 37 per cent.

China's economic "readjustment" policy last year meant the cancellation of hundreds of millions of dollars' worth of Japanese steel and chemical plant orders. While some were later reinstated (two are being financed by the commodity loan under this year's aid pact) and compensation paid for those that were not, the Japanese have become more wary in their trade dealings with Peking.

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UK NEWS

Beekeepers in trouble as nature's honey pot is ploughed up

Shrinking forage areas are threatening our bee population, John Edwards reports

THE PROSPECT of a large percentage of their workforce dying is enough to frighten any employer. But that is the dilemma facing Britain's beekeepers, who are suffering a hard time this year and whose long-term future looks even bleaker.

In August one of the country's largest beekeepers, Gales of Marlborough (which had no connection with the Gales brand of honey sold in the shops), was forced to close. Mr Alan Newman, managing director, claimed that the bees from the company's 900 hives were unable to find enough nectar and pollen to collect and turn into sufficient honey to keep the business going.

Opinions vary within the industry as to the real reason for the closure of Gales. But by common consent it has been a bad weather year for bees and this could result in a considerably diminished population after the winter.

A marvellous spring—one of the best ever according to beekeepers—was followed by an appalling summer leaving the bees with little reserves for the long winter months.

Beekeepers normally replace the honey they take from the hive with liquid sugar to help the bees survive. But this year the EEC put the price of sugar within the Community up by 9.5 per cent, bringing the cost per tonne to over £400 at a time when the world market price is nearer £80. So there will be a natural inclination to give the bees less sugar, which will shrink the population of hives even further.

Beekeepers receive a grant from the EEC Commission of one European currency unit (about 60p) a hive, but this has been more than offset by the rise in the cost of sugar. The grant is supposed to encourage beekeeping within the Community, but it will do little to help the plight of Britain's bees.

The fundamental problem is that the changing structure of UK agriculture is making the collection of honey more and more difficult for the bees.

Mr A. D. Winslow, secretary of the Bee Farmers Association, claims that the plough is to blame. In the last 30 years farmers have ripped up the hedgegrows and pastures where wild flowers used to grow, providing the most plentiful source of honey.

The eastern half of Britain is now almost entirely devoted to cereal and root crops and forage for the bees has been reduced drastically.

The use of agricultural pesticides also causes problems, especially aerial spraying, which can prove fatal to bees.

The increased acreage devoted to oilseed rape (the plant with yellow flowers looking like mustard seed) has been a help since it is a good source of honey, if somewhat bland. But it has brought new problems. Honey produced from rape crystallises very quickly so it has to be taken from the combs almost immediately, at the time of year when the beekeeper is most busy.

Pasture areas are being reduced, as fewer cows produce more milk; there are fewer of the bee's favourite trees (such as lime and sycamore); and as Britain's moorland shrinks the potential for collecting heather honey is also diminishing.

Orchards are a poor source of honey. Indeed fruit growers have to pay beekeepers to bring their hives to Kent in the spring, to pollinate the crop. Without sufficient bees many crops would be threatened, so farmers have a vested interest in protecting bees although their immediate profits may be affected.

Reliable statistics are hard to come by. However it is estimated there are some 40,000 beekeepers in Britain owning about 200,000 hives — population per hive varies from 15,000 to 50,000 during the year. The majority of beekeepers are amateurs with only a few hives. There are some 400 commercial beekeepers, who produce about a quarter of the total UK honey output — from 1,500 to 1,800 tonnes a year. Total honey consumption is more than 15,000 tonnes annually, with imports accounting for some 90 per cent of sales in spite of a heavy import duty.

The commercial beekeeper needs to produce at least 40 lb of honey a year per hive to be profitable (against an average for all beekeepers in Britain of 25 to 30 lb). Apart from the efforts of the honey packers to keep prices down, the beekeeper also faces the problems of disease (both European and American foul brood) and prevention of swarming, as well as increasing feeding and transport costs.

But it has attractions, even to the commercial beekeeper who treats bees as any other livestock and even clips the wings of queen bees to prevent them swarming.

Mr Oliver Field, formerly an engineer, does not believe in the mystique that surrounds bees although he admires the system of management that has enabled them to survive for millions of years without any change in their way of living.

He has enjoyed getting away from the rat-race of industry into a small unit (some 200 hives spread from Bracknell to Hungerford), producing over 3.5 tonnes of honey a year virtually on the premises at his home near Reading.

He has organised a beekeeping operation in the Yemen, where Arabs are prepared to pay up to £20 for a 1lb pot of honey, and he is making a reasonable living in Britain where the retail price varies between £1 to £1.30 a lb.

But he is aware of the fine line between success and failure in commercial beekeeping.

However, it is the longer-term threat of declining areas for bees to collect honey that is the real worry. As conservationists have frequently pointed out, upsetting the ecological balance can result in unforeseen repercussions.

One of the country's best known beekeepers, Brother Adam, a Benedictine monk, from Buckfast Abbey, Dartmoor

18-month low for Krugerrand sales

By Max Wilkinson, Economics Correspondent

SALES of gold Krugerrand coins fell sharply in August to a worldwide total of 62,300 ounces, the lowest monthly sale since February 1980.

According to figures issued in London yesterday by the International Gold Corporation, a total of 2.05m ounces of Krugerrands had been sold in the eight months to August this year. This compared with 2.25 ounces by August last year.

The corporation says the small sale in August was a reaction to the sharp rise in the price of gold during the month, when it reached a peak of $430 per ounce.

It thinks this sharp rise in the gold price encouraged some holders of Krugerrands to take a profit by selling the coins back into the market. However it does not expect any significant further "dishoarding" until there is a substantially higher gold price.

Investment return

MORE than three-quarters of investment trusts achieved a better total return on share price than the Financial Times Actuaries All Share Index in *the five years to August 31*, according to the Association of Investment Trust Companies.

The association's monthly monitoring statistics are published today and cover the £9bn under management by the investment trusts. Their asset performance, the association says, should be compared with the average performance of overseas stock markets and the UK market, taking into account currency fluctuations. On this basis overseas markets over the five years underperformed the UK.

First water grid

BRITAIN'S FIRST regional water grid was opened at Riding Mill, Northumberland, yesterday when Mr Christopher Tugendhat, vice president of the EEC Commission, completed the final link in the Kielder water chain.

He pressed a button starting one of the massive 4,000 horsepower pumps which transfer water uphill from the River Tyne to Wearside and Teesside. The project cost £167m and was largely financed by the EEC.

"It is the largest single project in which the European Community has ever been involved and has received more money from Community sources than any other undertaking in any part of the EEC," said Mr Tugendhat.

Collapsible service

A NEW transport service using collapsible containers has been designed to bring nearly 1,000 tons of Spanish fruit and vegetable produce a week to the UK. The Spanish company Transportes Altamira, in conjunction with Brittany Ferries, launched the service, which uses 20 ft containers each carrying 12 tons of produce, travelling by rail across Spain and then by ferry to Plymouth. The collapsible containers will save most of the cost of transporting empty containers back to Spain. Forty containers will now only take eight freight spaces on the return journey.

FREIGHT business on Brittany Ferries' ro-ro services from the UK to France and Spain was up 6.2 per cent and 31 per cent respectively in the first six months of the year.

Fishery opens

FISHERIES MINISTERS have agreed to open the Southern North Sea herring fishery to UK vessels from October 1.

The fishery will be open to all UK boats irrespective of size, although vessels of 40ft and over will need a licence to fish. There will be no restrictions on the amount of fish which licensed ships may catch per week.

BSC to sack 700 more workers at Scunthorpe

FINANCIAL TIMES REPORTER

NEARLY 700 more redundancies are to take place at the British Steel Corporation's Scunthorpe works. This will bring the number of BSC staff at the site down to 7,600, compared with about 16,000 three years ago.

Mr Danny Ward, works director, said yesterday that the latest cuts were in response to weak demand, and reflected the local management's determination to restore profitability. Scunthorpe made a profit of £10.1m in 1981-82 but has slipped into loss since last spring.

The works is operating at only 60 per cent of its capacity of 2.7m tonnes of liquid steel per year, and 1,200 workers are on short time.

Mr Ward said there was no direct connection between these redundancies and speculation early this week that activity at BSC's Teesside works might soon be cut significantly and business transferred from there to Scunthorpe.

The largest number of jobs lost, 325, comes as a result of a local agreement that private contractors take over a number of non-production jobs. Another 280 will be lost in what are described as functional support areas.

The remaining 90 redundancies result from a decision to close two batteries of coke ovens.

In spite of the weakness of demand, Scunthorpe's steel stocks have declined to near normal and so the management has decided to start up the third blast furnace next week. Since July, only two of the work's four blast furnaces have been operating. The management added, however, that demand was still well below the full capacity of the three furnaces.

BNOC to maintain oil price

BY RICHARD JOHNS

THE British National Oil Corporation has told petroleum companies that it intends to keep the price of North Sea oil unchanged at $33.50 (£19.70) per barrel for the fourth quarter.

It was virtually certain that the corporation would opt to maintain the price at the level set at the beginning of June. Its decision is expected to be accepted with good grace by the oil companies, including British Petroleum and Shell.

BP and Shell, struggling to eliminate losses from their refining and marketing operations in the UK, would have most to gain from a lower price because of their greater access to North Sea crude, which is cheaper than varieties produced by the Organisation of Petroleum Exporting Countries.

One factor behind both the Corporation's decision and the industry's acquiescence is Opec's continued determination to defend its reference price of $34 per barrel for the Arabian Light "marker," in spite of the lack of any recovery of demand as yet.

In effect, Opec's official selling rates are still $2 per barrel after making allowance for gravity, quality and transportation—giving a rate of $35.50 for African premium crudes *equivalent* to North Sea oil.

Libya and, to a lesser extent, Algeria — have been giving various disguised discounts. At the same time, however, they are under pressure from Saudi Arabia and other Gulf producers to raise their differential over and above the Opec reference from $1.50 to $3.50 per barrel.

General firming of spot market prices and the consensus that demand will increase in the fourth quarter with the onset of winter and because of the rundown of stocks, also justify the corporation's decision.

The corporation is insistent that it sets a price wholly in conformity with market conditions. Yet the Government is clearly anxious to obtain the maximum return from the sale of 51 per cent of the shares of Britoil, which holds the production *ing and exploration assets* owned by the corporation until the beginning of August.

From this point of view, maintenance of at least the present price is essential if the Government is to avoid charges of selling off the nation's wealth at a discount and avoiding the kind of embarrassment which followed the privatisation of Amersham.

Manufactured goods exports down by 8½%

THE VOLUME of exports of manufactured goods fell by 8½ per cent in the three-month period June to August, compared with the previous three months.

In the same period the volume of imports fell by 4½ per cent, though imports have increased substantially since 1980.

One of the sharpest falls in exports was in cars, where sales fell by 16 per cent from one three-month period to the next. There was a sharp drop in exports of food, beverages and tobacco.

BALANCE OF TRADE (VISIBLES)

	Exports £m seasonally	Imports adjusted	Exports Volume seasonally	Imports adjusted 1975=100	Oil balance £m	Non-oil balance seasonally adjusted
1980	47,394	46,211	128.0	119.1	+273	+912
1981	n.a.	48,087	n.a.	119.1	n.a.	n.a.
1981 3rd qtr.	n.a.	13,506	n.a.	120.0	n.a.	n.a.
4th qtr.	13,858	13,368	132.0	125.7	+698	−208
1982 1st qtr.	13,279	12,956	125.2	123.4	+707	−384
2nd qtr.	13,745	13,642	130.7	129.1	+882	−779
1981 July	4,121	4,307	128.8	126.9	+ 96	− 82
August	n.a.	4,784	n.a.	142.1	n.a.	n.a.
September	4,472	4,415	129.8	126.9	+291	−233
October	4,452	4,250	136.0	121.0	+ 74	−328
November	4,565	4,792	130.1	135.5	+205	−432
December	4,641	4,326	130.0	120.6	+419	−104
1982 January	4,267	4,387	119.0	122.9	+187	−301
February	4,422	4,245	124.3	120.2	+289	−112
March	4,590	4,330	122.7	124.5	+231	− 29
April	4,698	4,474	133.7	128.5	+406	−182
May	4,595	4,709	132.0	134.0	+314	−428
June	4,452	4,459	126.4	124.8	+162	−169
July	4,546	4,380	125.7	124.0	+401	−235
August	4,386	4,423	117.6	124.3	+484	−521

Satellite set to link UK and U.S. business

By Guy de Jonquieres

PLANS for an advanced satellite communications service designed to link business users in the U.S. and Britain have been approved by the American Federal Communications Commission.

The service, due to start early next year, will be operated jointly by British Telecom and Satellite Business Systems (SBS)—an American company owned by International Business Machines, Aetna Life and Casualty and Communications Satellite (Comsat).

The trans-Atlantic link will extend to companies in Britain many of the services which SBS offers customers in the U.S. These include high-speed computer-to-computer communications and live televised conference facilities.

In the U.S., customers are linked directly to SBS satellites through small dish aerials installed on their office roofs. But users of the trans-Atlantic service will be connected by land line to large ground stations. These will beam signals to an Intelsat satellite, which is used internationally for transatlantic communication.

The service will be the first of its kind internationally. SBS is discussing the possibility of links with other western European countries.

British Telecom is talking to IBM about launching a second, similar, service which could link customers in the UK, continental Europe and the eastern part of North America. It would be carried on Unisat, the planned British satellite

Vaughan scraps dormant quango for consumers

By Our Consumer Affairs Correspondent

A CONSUMER quango that has lain dormant for five years is finally to be scrapped, Dr Gerard Vaughan, Minister for Consumer Affairs, announced yesterday.

The Consumer Protection Advisory Committee is to be wound down with the present members not reappointed when their terms of office expire. The committee has seven members.

It was set up under the 1973 Fair Trading Act to consider whether new criminal offences should be created to give greater protection to consumers. In addition, other issues of consumer importance could be reviewed by the committee.

However, the committe's terms of reference made it difficult for appropriate cases to be referred to it. Only four cases were considered by the committee, the last being in 1977.

Hailsham supports Howe on spending

BY MARGARET VAN HATTEM, POLITICAL CORRESPONDENT

LORD HAILSHAM, the Lord Chancellor, yesterday strongly supported Sir Geoffrey Howe, the Chancellor of the Exchequer, in the growing Cabinet row over public spending.

Sir Geoffrey's policies, he suggested, formed the best basis for winning the next general election, which he predicted might well take place in October 1983.

Lord Hailsham was speaking at a Conservative Party meeting in Sir Geoffrey's East Sussex constituency. He called on party members to devote the next 12 months to preparing for a general election.

Their strategy should be to stand by the Chancellor's policy of "good housekeeping and living within our means," he added.

"Until a little before Christmas last year I thought our policies, although correct, were pretty unpopular.

"But from around Christmas last year, I have had the very distinct impression that people have come to understand what we are about, and to see more and more that of all the political groupings in this country, your Conservative Government and the Conservative Party supporting it are the only ones whose policies make any kind of sense at all."

Lord Hailsham's comments are interpreted widely as a nod of approval towards the recent Think Tank paper which has reopened divisions within the Cabinet.

The paper proposes radical cuts in public spending by hiving off to the private sector large areas of the health, social services and education services. It has been attacked as an attempt to dismantle the welfare state. Several Cabinet ministers have made little secret of their strong opposition to the proposals.

Two Cabinet ministers brought the battle into the open earlier this week. Mr Leon Brittan, the Chief Secretary to the Treasury, insisted that the Think Tank proposals had not been fully examined and might yet get Cabinet endorsement. Mr Norman Fowler, the Social Services Secretary, in a barely disguised response to Mr Brittan, reaffirmed the Government's commitment to the National Health Service.

Lord Hailsham avoided specific references to the Think Tank paper, but he stressed the need to support Sir Geoffrey in accepting the financial constraints on the Government.

"What is frightening is that every pressure brought to bear on us by way of criticism from the Opposition benches is in the direction of spending more money, and not less, and most of that is in the direction of spending more money on things which in themselves produce nothing, or higher wages for no increase in production, *or higher social* service payments," he said.

"All the time there is criticism of cuts. If we were to give way, all the good work that we have done in the last 12 months would be swept away."

NEC election critical for Foot's hold over Labour

BY MARGARET VAN HATTEM

ELECTIONS next week for the national executive committee of the Labour Party could determine the chances of Mr Michael Foot publicly asserting his authority as party leader before the next general election.

Some of Mr Foot's critics concede that he has been more effective behind the scenes than in his more public attempts to deal with party in-fighting. But the spectacle of the party leader being periodically outvoted in the NEC has not helped him.

One of the first big tasks for the new NEC will be to deal with the Militant Tendency. The outgoing committee has left the issue unresolved by agreeing that an inner core of Militant supporters should be disciplined, but refusing to define them and how they should be handled.

Mr Foot — who has strongly attacked the Militants, and recently declared that none of their supporters would be acceptable as Labour parliamentary candidates — will be looking for reinforcements. However, left-wingers believe the moves to discipline the Militants are the first step towards a drastic purge of the left, and are campaigning hard against a purge.

The contest for the one seat in the socialist, co-operative and other organisations section will provide an indicator of party feeling. Mr John Evans, Parliamentary Private Secretary to Mr Foot and closely identified with him, is challenging Mr Leslie Huckfield the staunchly left-wing MP for Nuneaton, who is closely associated with Mr Tony Benn. Although Mr Evans is being tipped to win, the outcome is expected to be close.

In the seven-seat constituencies section, the anti-purge faction is hoping to replace Mr Neil Kinnock and Miss Joan Lestor with Miss Audrey Wise and Mr Norman Atkinson, a former party treasurer.

The left appears less *optimistic* about the five-seat women's section, where Dame Judith Hart, the party chairperson, appears to be the only anti-purge candidate considered certain to be re-elected.

Plan to cut real worth of benefits next year

By Max Wilkinson, Economics Correspondent

MINISTERS ARE considering a plan to increase social security, retirement and other benefits next year by substantially less than the rate of inflation.

This cut in real terms would be to compensate for the fact that benefits are to rise by 11 per cent in November, although the rate of inflation by the end of this year is expected to be about 4½ percentage points less than 11 per cent.

The 11 per cent rise was announced at the time of the last Budget when the Treasury was predicting that the inflation rate would be 9 per cent by the end of 1982. The margin of 2 per cent more than the expected inflation rate was intended to compensate for the previous year, when the increase in benefits was less than the rate of inflation.

One plan, which appears to have been rejected by the Government, would be to withhold part of the 11 per cent increase, although it has been announced.

However, that would raise administrative, as well as political complications. The Government is accepting, therefore, that the real value of pensions will rise considerably this year.

The main option, then, would be to claw back some of this rise in real value by announcing an increase for November 1983 which would be two or three points fewer than the expected rate of inflation.

The Treasury is expecting an inflation rate of about 6½ per cent by the end of this year, and ministers must be hoping for a rate of 6 per cent by the end of 1983.

This would imply that retirement benefits would be increased by only about 4 per cent in November 1983. However, the precise figure would not be agreed until the time is nearer, when ministers should have a more accurate forecast of inflation for next year.

Ministers are also considering whether to restore part of the 5 per cent which they cut from unemployment benefit in lieu of taxation, which began in July.

Monitor on genetic engineering to be continued

By David Fishlock, Science Editor

BRITAIN will *continue* to monitor genetic engineering for any possible health hazards, even though expert advisers believe the chance of such *hazards are "far less" than* expected in the late 1970s.

The original fears have not been substantiated, Sir Keith Joseph, Secretary for Science, says in the latest report of the Genetic Manipulation Advisory Group, published yesterday.

Its studies will continue, "to verify that there are no long-term health hazards associated with this work."

Britain has 103 centres participating in research into genetic engineering.

Sir Robert Williams, former director of the Public Health Laboratory Service in London, is chairman of the committee.

Genetic engineering is the term used for laboratory modifications to microbes to adapt them more specifically to commercial or medical purposes, such as fermentation of drugs or chemicals.

Early fears were that new kinds of microbe might be created accidentally in this way, which would prove dangerous to man. But in practice such organisms have proved too short-lived to be dangerous.

The report notes that it is gratifying that the first industrial use of genetic engineering, to make insulin, took place in Britain.

Third Report of the Genetic Manipulation Advisory Committee, Cmnd 8665, SO, £7.75.

Appeal Court overturns order for disclosure of Trade papers

BY RAYMOND HUGHES, LAW COURTS CORRESPONDENT

THE Department of Trade has succeeded in overturning an order that it produce for inspection by a High Court judge 100 ministerial working papers dealing with the formulation of government policy on the British Airports Authority (BAA).

In the most important test of a government's right to keep its decision-making processes confidential ever to come before the courts, the Court of Appeal yesterday accepted the Trade Department's claim that disclosure of the documents would be contrary to public interest.

Because of the public interest in the proper functioning of the Civil Service, the executive arm of government, high-level policy documents should be kept secret, declared Lord Denning in one of his last judgments before Retiring as Master of the Rolls next week.

In characteristic fashion, Lord Denning introduced a controversial note into his judgment. The due administration of justice did not necessarily mean getting to the truth, he said. It simply meant reaching a just decision in a case.

Disclosure of the documents had been sought by 20 international airlines which are suing the BAA and the Trade Secretary over a 35 per cent increase in landing charges at Heathrow Airport.

Part of the airlines' case is that the minister acted from an improper motive—a concern to contain public expenditure—in imposing such a tough financial target on the BAA that the Authority had to make the large increase in its charges.

Last May, Mr Justice Bingham provisionally decided that the ministerial working papers should be used as evidence in the case. He ordered their production for his inspection so that he could be satisfied his decision was correct.

He recognised that "documents as close as these to the inner processes of government" had never before been ordered to be disclosed. But, he said, production was necessary in the interest of justice.

The court's concern for the due administration of justice must ensure the truth was elicited, he added.

He refused to order disclosure of about 150 other documents about the BAA, that had passed between senior officials of the Treasury and the Trade and Industry departments.

During the appeal in July, the department introduced six more documents about the BAA, emanating from Cabinet and Cabinet committees.

The airlines, which had not sought production of Cabinet papers, protested that they had been introduced merely to raise the status of the documents in dispute.

Lord Denning yesterday quoted extensively from a statement in which Sir Robert Armstrong, the Cabinet Secretary, argued that disclosure of the Cabinet papers would be contrary to the public interest.

It was necessary for the proper functioning of government that they be withheld, Sir Robert stated. Cabinet confidentiality might also be prejudiced by the disclosure of departmental and inter-departmental documents, he added.

Lord Denning also referred to the court case that led to Ms Harriet Harman, of the National Council of Civil Liberties, being held in contempt of court for showing a journalist confidential Home Office papers after they had been read in open court.

"That case is a good illustration of the need for keeping high level documents secret. Once they are let out of the bag untold mischief may be done . . . (They) must not be let out of the bag at all," said Lord Denning.

He differed from Mr Justice Bingham on the meaning of "the due administration of justice." It did not always mean ascertaining the truth. It often meant that, as a matter of jusice, a party must prove his case without any help from the other side's documents, he said.

The Trade Department's reasons for keeping its minster's papers secret were clear and cogent, said Lord Denning; and the documents were not necessary for the due administraton of justice.

If the arlines had sufficient evidence to warrant their charges against the Minister they were in a strong position. If they did not, they should not be allowed to go on "a fishing expedition" among the department's documents in the hope of finding evidence.

"If they have a grievance, but no evidence, they should get some MP to raise it in the House and move for papers. It is not a matter for the Courts of Law," Lord Denning concluded.

Lord Justice Watkins and Lord Justice Fox agreed that the department's appeal should be allowed. The airlines were given leave to appeal to the House of Lords.

THE LIBERALS AT BOURNEMOUTH

Closed shop broadside from Smith

AN ALL-OUT attack on the closed shop by Mr Cyril Smith, MP for Rochdale and the party's spokesman on employment, split the Liberal Assembly yesterday.

Most delegates cheered when he declared passionately: "I will never support the closed shop—never." He insisted that upholding the right of an individual to choose whether or not to join a trade union must be the party's first priority.

This bout of unrestrained hard hitting by Mr Smith, won him his second ovation of the week. But his unyielding attitude angered leading figures in the Association of Liberal Trade Unionists.

The association believes a positive move away from "union bashing" would improve the prospects for a *stunning Liberal victory* in the forthcoming by-election in the Birmingham Northfield constituency which includes BL's plant at Longbridge.

An unrepentant Mr Smith shouted: "That's absolute rot," when one delegate sought to argue that the post-entry closed shop, which does not prevent the recruitment of non-union labour, should be acceptable to the Liberal Party.

Despite Mr Smith's opposition, the assembly decided by 349 votes to 227 to approve the agency shop, which includes arrangements requiring non-union members to contribute to charity a sum equal to the cost of union membership.

Massacre condemned

AN EMERGENCY resolution condemning the massacre of Palestinian civilians in Beirut was approved by the assembly.

Lord Hooson called for those responsible to be brought to trial and suggested the appointment of an international commission of jurists to establish the facts.

Reports from John Hunt and Ivor Owen
Pictures by Ashley Ashwood

Alliance urged to pick up baton of responsible opposition and alternative government

Six-minute ovation emphasises Steel's ascendancy

THE LIBERAL LEADER, Mr David Steel, called on the party's assembly at Bournemouth yesterday to close ranks after the divisions caused by the surrender of prized constituencies to the Social Democrats and to make the Alliance unbeatable at the next general election.

Delegates responded to his appeal to show that they had drawn closer together after the "strains, tensions and tiffs" generated by the row over the allocation of seats between the Alliance partners with a six-minute standing ovation to underline his ascendancy over the party.

Dissidents challenged

Mr Steel faced up squarely to his critics by recalling that Mr Tony Benn had made a direct appeal to Liberals disillusioned with the Alliance "marriage" to join Labour.

The Liberal leader challenged: "People are free to go—are there any takers?"

A firm chorus of "No" was provided readily enough, but it seemed to fall short of the strength the platform had been hoping for.

Mr Steel castigated the Conservatives for failing to honour their election promises to establish a framework for economic recovery and condemned the intellectual and political collapse of the Labour Party.

To cheers he insisted that it was now the role of the Alliance to "pick up the baton of responsible opposition and of credible alternative government at the next election."

An Alliance government, he said, would start a selective programme of capital spending as a first step and would reactivate the economy by cutting away the restrictions on competitiveness.

"We will bring down interest rates by operating a competitive exchange rate and joining the European Monetary System."

Mr Steel acknowledged that there would be no long-term benefit to the economy if the extra spending merely fuelled inflation. A "sustainable" incomes policy was the anchor which would stop an investment-led recovery drifting into the whirlpool of inflation.

Mr Steel claimed that the Alliance was a new force in politics. It had a special appeal to the embittered young, who, through the record level of unemployment brought about by Mrs Thatcher's policies, saw little prospect of a decent life.

He appealed: "Come and join us. You need us to end the drift and shatter the complacency of the old politics and we need you to help us do it."

Mr Steel declared that if the present Government was not prepared to change the policies which had brought ruin to so much of British industry it should get out. "We are ready to govern," he declared to the delighted cheers of his supporters.

David Steel: 'We are ready to govern'

MR STEEL was at his most aggressive when he attacked Mrs Thatcher for seeking to *make political capital out of the* surge of patriotism which marked the recapture of the Falkland Islands.

The Prime Minister, he said, had presided over a shambles of incompetence in her conduct of foreign policy and defence.

"Yet she has set out, quite deliberately, to cover up her administration's nakedness by wrapping herself in the Falklands bunting, by belligerence of language, by a simplistic invocation of the Falklands spirit in the totally different sphere of industrial relations and by a wish to turn a service of remembrance into a "glorification of war."

Two other members of the Cabinet, Mr Norman Fowler, the Social Services Secretary, and Mr Norman Tebbit, the Employment Secretary, were also singled out for searing attacks by Mr Steel.

He reminded the assembly that the Conservative election *manifesto had referred to a* "crisis of morale" in the National Health Service. "So what have they done to improve morale in the service? They have threatened to abolish it."

Mr Fowler had been put in charge of the health service and Mr Tebbit in charge of the unemployed. "So you have the two boot boys of British politics kicking in the windows of the welfare state."

Mr Steel asked what had happened to those Conservatives who believed in the tradition of "one nation" which had been upheld by Rab Butler, Iain Macleod and Edward Boyle.

To further cheers he asked: "How have the decent Tories allowed their party to be hijacked by the heavy squad? How long will they put up with the unacceptable face of conservatism?"

Mr Steel maintained that because the Government had broken faith with the electorate it had forfeited any moral claim to the allegiance of the people.

If the Alliance was to provide new hope it must restore faith in the capacity of the democratic political process. "Our Alliance must provide new leadership and fresh integrity."

The first task must be to put the nation back to work and this was the objective of the imaginative joint Liberal-SDP programme which the assembly had approved earlier in the week.

Mr Steel claimed that this *signalled* return to the economics of commonsense and an end to the nonsense of paying people not to work when there was so much work to do.

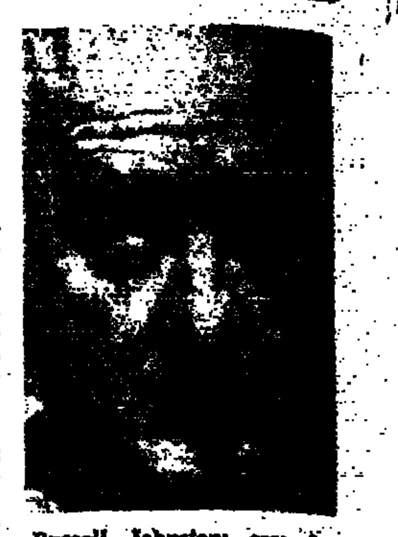
Mr Steel looked to an Alliance government to create a national sense of partnership which was not just a pious hope or a management technique.

Based on sharing

Partnership, he said, was the moral basis of a liberal society. "Free people sharing adversity when it is necessary, sharing the rewards of their labour and sharing decisions.

"That is why we shall change company law to turn the limited concept of companies owned by capital alone into living organisations which represent a genuine community of interest of all who contribute to them."

Mr Steel reaffirmed the "total commitment" of an Alliance government to the introduction of proportional representation. "I do not want anyone to underrate our seriousness. Make no mistake, the Alliance will not compromise on this fundamental democratic reform."



Russell Johnston: case for Scottish priority

MPs clash on home rule vote

THE ASSEMBLY voted overwhelmingly for home rule for Scotland, although the call provoked conflict between a Welsh MP and a Scottish one.

It was unthinkable that Liberals should be looking for devolution for Scotland as a priority without any mention of Wales or regions of England which wanted devolved power, Mr Geraint Howells, MP for Cardigan, said.

"If we are to achieve devolution we must not make the same mistake as last time by singling out certain parts of the UK for unequal treatment."

Mr Russell Johnston, leader of the Scottish Liberals and MP for Inverness, defended the call for a Scottish parliament alone.

"Little political reality is that the pressure for such government has been expressed for far longer and with wider support in Scotland than in any other part of the UK," he said.

People in Scotland should not be denied home rule any longer.

Campaign against alcoholism urged

MPs should be "detoxified" as part of a campaign to combat alcoholism, the assembly was told yesterday.

The call came from Mr George Ferguson, Liberal prospective parliamentary candidate for Bristol West, who said it was "scandalous" that more than 10 per cent of MPs had a vested interest in the sale of alcohol.

Speaking during a debate on alcoholism, Mr Ferguson claimed that 10 Government Ministers had a vested interest in alcohol before taking office.

Anti-drink forces muster as weaker delegates hurry to the bar

CONFERENCE SKETCH

HOW WILL the leadership deal with the tightly-knit group of fanatics who are even now burrowing away in the entrails of the party? Will it prove possible to unseat parliamentary candidates who secretly espouse this subversive cause?

We refer of course to the Temperance Tendency, a dedicated body which is rapidly infiltrating the Liberal Party and is working tirelessly to take over the commanding heights of the Alliance with the SDP.

The implications of this sinister movement obviously go far beyond the simple question of booze and anti-booze.

Surely it is not without significance that one of their leading sympathisers is Dr David Owen, the stern-visaged member of the SDP's Gang of Four. Will the claret cup be dashed from the lips of Roy Jenkins even before he has a chance to be chosen as Prime Minister-designate to lead the Alliance into the next general election?

If our worst fears are realised, this fervent crusade could even be turned into a witchhunt against the supporters of proportional representation who are led by an organisation with the unfortunate name of Lager (Liberal Action Group for Electoral Reform).

The anti-drink brigade had its high moment at the Liberal Assembly yesterday with the passing of a resolution demanding Government action to deal with the problems of alcoholism. On the surface the wording was innocuous enough, calling for an increase in funds for preventive education and treatment of chronic alcoholism.

But there was a suggestive paragraph wanting unspecified "co-ordinated Government action" to combat alcoholism and seeking the establishment of permanent Whitehall machinery which would embrace the Treasury and the Home Office. To the suspiciously minded this held out the clear implication of higher duty on drink and punitive laws to curtail it.

Apparently there is, at this moment, a secret report on the subject in the hands of the Government's Think Tank. It is based largely on the researches of yet another of those gloomy foreign professors, in this case Prof Kettil Bruun of the Sociologika Institution of Stockholm.

In fairness it should be pointed out that the assembly voted against a move to ban several forms of advertisement for alcohol. It was also noticeable that, as the debate began, half the delegates rushed for the exits, many of them ending up in the Pavilion Bar, where the dreaded words Trophy, Tankard, Mackeson and Heineken blazed out in big multi-coloured lights.

Thus fortified, they gathered again after lunch, only too eager to be roused by David Steel giving his wind-up speech of the week. The Liberals must be unique in awarding their leader a standing ovation even before he has opened his mouth.

In this case, it was probably deserved. It was a carefully controlled performance starting with a few throwaway jokes and leading on to a brief passage in which he dismissed the pretensions of the Labour Party to be considered the natural Opposition.

But the main of his invective was aimed at Mrs Thatcher and her "threadbare, deceitful administration." There was repeated, gleeful applause as he read out a list of ministerial quotations over the past 18 months predicting that economic recovery was about to begin.

Excited by the unaccustomed prospect of real political power, delegates finally poured out of the hall only too eager to obey their leader's call to "carry the message into every city, every town and every village."

Some could be forgiven for believing that they were setting off for the land of Tir Nan Og, so eloquently described earlier in the devolution debate, the legendary Gaelic Isles where there is eternal sunshine and all one's dreams come true.

John Hunt

UK NEWS—LABOUR

Engineering workers reject 3.6% wage offer by employers

BY IVO DAWNAY, LABOUR STAFF

LEADERS of 1.5m engineering workers yesterday threw out a 3.6 per cent pay offer and told employers to think again.

Speaking after a 90-minute meeting at the London headquarters of the Engineering Employers' Federation (EEF), Mr Terry Duffy, president of the Amalgamated Union of Engineering Workers, and the chief union negotiator, dismissed the offer as "extremely disappointing."

He insisted that the 17-member Confederation of Shipbuilding and Engineering Unions was seeking a settlement which would at least keep pace with the rise in the cost of living, although he accepted that the industry was in "parlous state." "We would accept a settlement in line with the retail price index, but the employers' offer is only 50 per cent of the current RPI," he said.

Both sides are to resume talks on October 25 after the federation has consulted further with its 6,000 member companies. The offer is likely to be marginally increased, but many employers have warned that substantially higher pay rises would force closures.

Settlement of national minimum rates for the engineering industry is normally followed by bargaining at company level. However, many companies have told their employees this year that topping-up might not be possible.

Dr James McFarlane, the EEF director-general, warned the unions that the present recession constituted "the most dangerous period we have ever lived through. We cannot say the rot has stopped. Paramount in our minds is to find a way in this very difficult period to avoid further factory closures and redundancies."

Under the 3.6 per cent offer, minimum weekly pay rates for skilled workers would rise by £3 to £86.

The employers rejected a union call for unskilled workers to get 80 per cent of the skilled workers' rate, instead of the 72 per cent. The EEF also threw out a demand for a reduction in the maximum overtime allowed in any four-week period from 26 hours to 10 hours a week.

UNIT TRUST OFFERS

Stoppage hits social security payments

Financial Times Reporter

STATE BENEFIT payments to hundreds of people were hit yesterday when nearly 1,000 civil servants staged a one-day strike.

The stoppage affected at least 23 social security offices throughout the Midlands. 11 offices in Birmingham were closed, as were others as far apart as Hereford and Burton Upon Trent.

Most of the strikers were counter staff belonging to the Civil and Public Services Association and the Society of Civil and Public Servants.

They were supporting 164 colleagues at Erdington, Birmingham, who have been on strike for more than a week in an attempt to force management to recruit more staff.

They claim the payments system is on the verge of collapse because of the pressure of work.

Talks between officials from the Department of Health and Social Security and the two unions in London failed to reach an agreement yesterday.

The DHSS employs about 5,500 people at 38 benefit offices in the Midlands. Only four were known to be open yesterday at Telford, Lichfield, and two in Stoke-on-Trent.

Post Office sorters strike in Kettering

ABOUT 80 Post Office sorters at Kettering, Northants, came out on strike yesterday, bringing all deliveries and collections to a halt.

They are protesting at the suspension of 20 colleagues for refusing to deliver telephone dialling code books without extra payment. The dispute has also hit deliveries to Corby.

Talks between unions and management will continue today.

Ford unions seek quick settlement on pay

BY BRIAN GROOM, LABOUR STAFF

PAY FOR Ford's 50,000 manual workers may run into trouble if a deal is not reached by the settlement date of November 24, union leaders warned yesterday.

They were presenting a claim *for across-the-board rises of £20* a week on basic rates; consolidation of attendance supplements; further progress toward a 35-hour week; and improved pension and sickness benefits.

The £20 would on its own add between 16.3 and 20.9 per cent to basic rates, but that does not represent the total value of the claim.

Ford talks are no longer quite the private-sector pacesetter they once were when the settlement date was October, but are still one of the key groups in the pay round.

A national strike was threatened last year before agreement was reached on 7.4 per cent rises, a 39-hour week and a package of efficiency measures.

Mr Ron Todd, national organiser of the Transport and General Workers' Union, said many workers were unhappy with last year's deal, and he did not want talks to "drag on" again beyond November 24.

"It may well be that, if not this year then certainly next, we will consider the anniversary date a contractual date, and if an agreed outcome to our discussions is not concluded by then, our members will feel that they have had their contracts of employment terminated," he told the company.

The unions forecast a pre-tax profit for 1982 of £218m, virtually the same as 1981. The £20 pay rise is aimed at restoring purchasing power to 1979 levels.

Mr Todd said: "If the company wants the confidence of the work force, it has to respond reasonably to our claim. There is no real doubt of the company's ability to accord with what are relatively modest demands."

He expected the company to emphasise the gloomy economic recession, but the workers had also suffered. Ford is due to reply to the claim on October 29.

Mr Todd emphasised the workers' contribution to improvements in efficiency, including introduction of robots at Dagenham to produce the Sierra, the Cortina replacement.

Ford's hourly-paid UK workforce has been cut by about 4,000 in the past year.

Basic weekly rates range from £95.47 to £122.69, but these make up only about three-quarters of total earnings.

Most workers are on alternating day and night shifts, which pushes the rate up to between £111.38 and £143.14. The majority are in grades giving £121.94 and £127.54.

In addition, there are supplementary payments of £5.93 to £7.65 for employees who work all standard hours.

Coal Board chief says 8.2% offer is final

Financial Times Reporter

THE CHAIRMAN of the National Coal Board, Mr Norman Siddall, yesterday gave a clear message to miners' union leaders that no more money is available to improve its 8.2 per cent pay offer.

Mr Siddall, speaking at the official opening of a £20m drift mine at Treeton, near Rotherham, South Yorkshire, said: "There is definitely no more money. My problem is finding the money to pay for what we have already offered."

The offer was one which "obviously would be more than the rate of inflation for next year," and was "as much as we could squeeze out of the system."

Mr Siddall predicted serious difficulties if a strike took place and said the Coal Board was already making preparations for industrial action.

"We would be foolish not to. It would be foolish to ignore that the possibility was there, but we are still a long way off the ballot day," he said.

Coal stocks stand at a massive 48m tonnes, including 26m tonnes at the power stations.

The National Union of Mineworkers wants £27 a week more—31 per cent—on the lowest rates. Its executive will recommend a delegate meeting on October 4 to ballot nearly 200,000 members on industrial action and will call for an immediate overtime ban. The secret pithead ballot will be on October 28.

Nurses to meet DHSS for more talks on Monday

BY IVO DAWNAY AND DAVID GOODHART

TALKS between the professional nursing bodies and Department of Health and Social Security officials continued yesterday with no sign of a breakthrough in the pay dispute.

A statement from the 195,000-strong Royal College of Nursing said discussions were "still at the exploratory stage." Leaders of the other professional nursing bodies — the Royal College of Midwives, the Health Visitors' Association and the Association of Nurse Administrators — refused to comment on the talks.

The HVA meets today to review its position on the dispute, particularly in relation to the decision by Mr Norman Fowler, the Social Services Secretary, to put back the implementation of a long-term package for assessing nurses' pay from April next year, to April 1984.

The Association was the only TUC-affiliated union to accept the 7.5 per cent offer. However, the new proposals — offering either 4 or 5 per cent from January 1983—may force the HVA to reconsider its acceptance because of the delay in the introduction of the new formula.

Further talks between the nursing bodies and the DHSS are expected to resume on Monday.

General secretaries of the TUC Health Service unions are to meet Mr Len Murray, the TUC general secretary, on Tuesday at the Labour Party Conference in Blackpool. The talks will centre on plans to co-ordinate sympathetic action by non-NHS workers for the new programme of regional days of action.

Mrs Margaret Thatcher, the Prime Minister, told a Press conference in Peking yesterday that further strikes would not force higher pay for health workers. She said that most of the action last Wednesday was concentrated in "militant industrial areas."

Mr Norman Fowler, the Social Services Secretary, said in a statement last night that since the dispute began 100,000 outpatient appointments and 110,000 operations have been cancelled while waiting lists have increased by 115,000.

Further repercussions from the day of action were felt by the Glasgow Herald yesterday. The Herald was not published because 17 Sogat '82 machine room assistants objected to not being paid on time after strike action on Wednesday by other Sogat members in the wages department.

Sunday newspapers are expected to lose millions of pounds in advertising this weekend, as print workers refuse to increase productivity to compensate for lost output.

The 98 workers at Camelot Press in Southampton, who were sacked for taking part in the day of action, have all been reinstated and the management has now been dismissed following a takeover of Camelot by an as yet unnamed group of companies.

Council staff expect offer to increase

By David Goodhart, Labour Staff

YESTERDAY'S pay arbitration hearing for 540,000 local authority white-collar staff is expected to increase marginally the employers' offer of 5.25 per cent. The outcome, which is binding on both sides, will be known in three weeks.

The employers' offer adds 5 per cent to basic salaries, which now range from £2,691 to £13,884 a year. The 0.25 per cent is made up of a one-hour cut in the *working week for* 45,000 staff on a 40-hour week and simplification of the salary structure.

The National and Local Government Officers Association, which represents most of the workers, has claimed a 9 per cent rise and a 35-hour week for all staff. It also objects to management plans to introduce a new bottom scale with a pay maximum of £4,260 (including the 5 per cent rise).

The employers say the present bottom scale with its maximum of £4,464 (before any rise) is above that necessary to recruit and retain staff. They also say it is essential to keep national pay increases to a minimum so as to give local authorities maximum discretion and flexibility. A spokesman said even the 5.2 per cent would cause problems for some councils.

Pay rises of 6 per cent for teachers and 6.8 to 7.8 per cent for local authority manual workers have made it likely that the offer will be slightly increased.

TGWU split on Labour blacklist proposal

By John Lloyd, Labour Editor

A SHARP DIVISION has emerged in the Transport and General Workers' Union over its position on the Labour Partly's proposed register of proscribed groups.

This has appeared after a number of other big unions had agreed to support a motion from the white-collar union Apex, calling on the Labour Party executive to enforce rules prohibiting organised groups.

Earlier this week, the union's general executive council voted by 18-16 to recommend that its delegation oppose the register. However, Mr Moss Evans, the union's general secretary, said yesterday that both he and Mr Alex Kitson, the union's deputy general secretary, had spoken strongly in favour of the register, and would do so again tomorrow when their delegation meets in Blackpool on the eve of the Labour conference.

Mr Evans said no one on the council favoured the Militant Tendency, but the majority believed that clause two of Labour's constitution—which bans organised groups within the party—was sufficient to maintain party discipline if the executive wished to impose it.

The Apex resolution also stresses that the executive has the obligation, under clause nine of the constitution, to enforce the party rules. However, it goes on to call for support for the executive's report, which includes the proposal for the register.

A vote by the TGWU against the register would be unlikely to defeat the proposal, since most unions are likely to line up behind Mr Foot on the issue. However, it would ensure that the vote was embarrassingly close.

Mr Evans also said that the union's long-term plan was to more than double its membership from the present 1.8m to 4m over the next 10 years by a mixture of mergers and growth after the recession ends. He said growth alone could increase the union's size to 3m.

Senior union officials and regional chairmen and secretaries are to meet in November to plan the union's organisation and merger strategy.

Mr Evans said that talks were well advanced with the 60,000-strong Sheetmetal Workers' Union

THE WEEK IN THE MARKETS

Gilt-edged show plenty of action

LONDON

ONLOOKER

The day of inaction came early for the London market, with trading on Monday being at the lowest level on the first day of a new account for a long time. Attention was very much taken by gilts which, on continued interest rate cut hopes on both sides of the Atlantic, advanced briskly. They finished—measured by the FT Government Securities index—up 1.27 at 78.80.

Equities looked set to be similarly influenced when Wall Street suddenly went into reverse, and shares began to retreat after a 17.7 gain in the FT 30-share index over Tuesday and Wednesday.

It took happier sounds from the Treasury about meeting its spending target next year—because of a lower rate of inflation than expected—to jerk equities ahead again. The index ended the week 17.9 up at 581.6.

In a week short on bid news the no-longer-so-wonderful stores group F.W. Woolworth had everybody wondering with whom it was in talks. But for anyone wanting real bombshells there is the fast-growing U.S. electronics systems company active in warfare and communications equipment businesses International Signal & Control which is to seek a full London listing.

Meanwhile Standard Chartered Bank was busy releasing a £100m bond issue, to become the third UK banking group and fifth domestic company this year to join in the recharged London bond market.

Tarmac stronger

Tarmac's steady withdrawal from risky overseas construction contracts has been combined with stronger management of its UK activities which is continuing to show through in results. After last year's 19 per cent rise in pre-tax profits, an even larger, 42 per cent increase to £20m was registered for the half year to June, despite the flat market conditions.

The main contribution to the profits jump has come from the aggregates business, where results were boosted by the inclusion of the recently-acquired Hoveringham Gravels. Tarmac has taken a ruthless approach to cost pruning in Hoveringham, closing some offices, integrating the company into its own business, and turning it into profits through a combination of lower costs and better marketing.

Elsewhere on the trading side, progress has been harder to achieve, although volume was ahead in the housing division and both the property and industrial businesses improved their performance.

The main disappointment in the first half came from the building products side, where the stronger dollar put up feed stock prices for the refineries. Even so, this division is steadily creating strategic positions in several key manufacturing areas for the building industry through a series of acquisitions, which should pay off in the future. So while Tarmac is unlikely to show the same percentage increase in profits in the second six months, it looks set to make around £65m for the year, where it is on a multiple of around 15 times earnings on a full tax charge.

Dunlop's deflater

How different Dunlop looks from just six months ago. When the group published its full 1981 figures last March it seemed as if the five year race against time to turn round the European tyre operations before the balance sheet crumbled had been won. Second half profits were £19m leaving the group at breakeven for the year. The market started to think in terms of £25m to £30m for 1982 and its confidence was cemented by a relatively bullish statement at June's annual meeting.

Yet this week's interim statement gave cause for disappointment. The bare half time figures looked reasonable, with profits before higher financing charges £14m ahead at £33m while the pre-tax line showed a £4m profit against a £3m loss. However the chairman's remarks about current trading made it painfully clear that the uplift had been short lived. Conditions in the UK and EEC are described as having "worsened markedly" and elsewhere, particularly in Australia and South Africa, Dunlop's businesses are "increasingly experiencing the effects of the recession."

The warning is perhaps no worse than the cautious words from GKN and Vickers over the past couple of weeks but Dunlop's financial position is not one that can easily cope with a prolonged battering. After all, there may have been a small pre-tax profit in the half-year but down at the attributable line retained losses have chipped another £22m off reserves.

Not that it is total gloom. Dunlop's balance sheet has looked a lot worse than it does now and the group has not yet run out of elbow room.

However, with such a dull trading outlook casting a shadow over the balance sheet, there is no very obvious case for supporting the shares which have come down from the mid-70s earlier in the year to the mid-50s.

BATs takes off

After years in the doghouse, BATs has been taken to the equity market's heart. The group is no longer perceived as a boring leviathan with earnings in all the wrong places and a disastrous diversification policy.

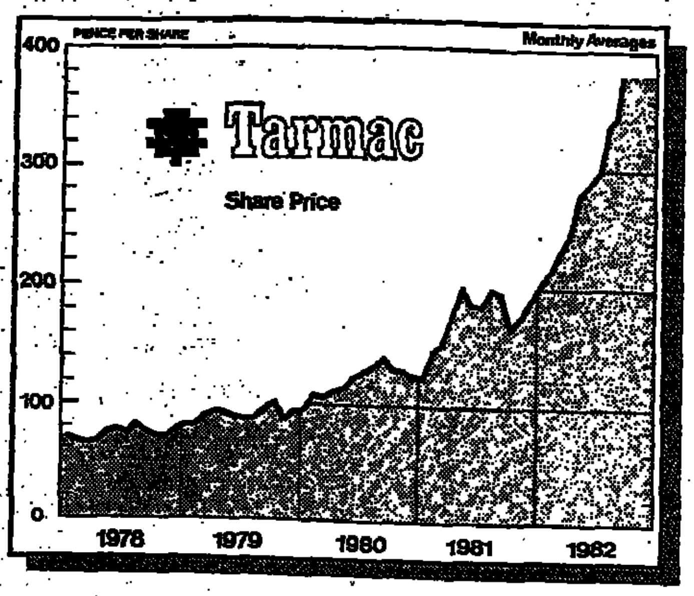
Now BATs is admired for its enormous financial strength, the defensive nature of tobacco profits in hard times, and a broad international spread. Even after the re-rating of the past couple of years, the group's shares still trade on five times earnings—on the group's 40 per cent tax charge.

For the first half of 1982, pre-tax profits are up from £269m to £326m, a go-go performance which looks even better given that property disposal surpluses—taken above the line in the retailing division—were some £7m lower this year.

Favourable movements on currency translation accounted for £19m of the increase, but that still leaves a substantial underlying advance. Some of this comes on the paper side, where BATs is turning Wiggins Teape out of loss in the UK and making good progress with the more recently acquired Appleton Paper in the U.S. But the main advance was in tobacco, where trading profits rose 30 per cent to £266m, accounting for 82 per cent of the total.

That is a hefty proportion after hundreds of millions of pounds have been spent on diversification, and not all the earnings advance is of the highest quality. Tobacco profits were boosted by lower launch costs in the U.S., and a big jump in Brazil where price controls have been removed. But on a 5 per cent fall in volume, there is really no room to quibble.

Retailing made £6m pre-interest on sales of £1,117m — the sort of figure that used to lead to impolite remarks. But BATs relative success with department stores in the U.S.—with their heavy second half weighting—has led to more sympathetic treatment from City analysts, and the recent expansion of these interests through the bid for Marshall Field was well received. Even International Stores (excluding Argos) made a tiny profit—and that is real progress.



Brake on Vickers

Earlier hopes of a profits upturn this year at Vickers are being spirited away by the recession. The company's original forecast of some growth had been based mainly on the effects coming through from recent major reorganisation and de-manning.

The change of outlook was announced along with the results for the first half of 1982 when taxable profits rose from £9.5m to £10.2m. A further general weakening of demand in the last three months now indicates that, despite the surgery already under way, full year profits will fall short of the £24.1m achieved in 1981.

This figure was itself 14 per cent down on the previous 12 months, reflecting the impact of the recession, though Rolls-Royce Motors, acquired in 1980, had produced a sharp increase.

This time around the motor company has rising stocks in the U.S. and is absorbing cash in one of those few periods when there are no new model tooling costs. But the more worrying aspect of the profits warning is that the group's interests extend far beyond the depressed motor industry and therefore it must carry a message for the whole engineering sector.

Group sales for the half year did little more than match inflation, being up 10.5 per cent at £318.6m. Profit at the trading level was £1.3m ahead at £20.3m before redundancy costs, doubled to £2.4m.

Net interest charges, while down £500,000 at £8m, did not show the degree of benefit of the March £24.4m rights issue that might have been expected.

Tax take was higher at £4.1m, against £2.6m first half 1981, for stated earnings per £1 share to emerge down from 8.2p to 7p. But at the attributable level there was an improvement of £1.7m to £3.5m because of lower extraordinary costs.

The share price slipped 2p to 126p on the mid-term statement yielding 14.1 per cent following a maintained net interim dividend of 4.55p.

Bulls still buying

NEW YORK

RICHARD LAMBERT

THE U.S. INFLATION rate is continuing to fall—figures released this week suggest that for 1982 it could come down to 5¼ per cent or less — and the economy remains sluggish. That is good for fixed interest securities, and these days it is the bond market that dictates daily share price movements on Wall Street.

Thus a strong rally in bonds on Tuesday sent the Dow Jones Industrial Average shooting up by more than 18 points to a new 13-month high. Overall, investors swallowed yet more enormous lumps of new Treasury financings with no signs of indigestion, and once again there was very heavy demand for top quality securities.

The yield on three month Treasury bills slipped by almost a full point to 7¼ per cent in the first four days of the week—a period when other widely followed rates, such as those on certificates of deposit or federal funds, hardly moved at all. At the long end of the market, the bellwether 14 per cent stock of 2011 moved smartly ahead in the early part of the week and now yields well under 12 per cent.

With this kind of support, the rising trend in equities remained intact, and the buying power of the bulls has clearly not been exhausted yet. On the contrary, the New York Stock Exchange reported on Tuesday that the total short interest rose sharply to record levels in the month ending September 15. That means a lot of traders are still betting the market is heading for a fall. There could be some fun if they change their minds.

Among individual sectors, shares of the big New York banks continued to rally from their panic levels of recent weeks. Chase Manhattan, for instance, has risen by about an eighth during the past fortnight. Another sharp gainer was Woolworth, following the news that its UK subsidiary might be taken off its hands by a friendly buyer. The company produces much the same reaction among analysts in New York as it does in London—yawns and sighs—so the idea that it might be able to generate a big capital gain out of its UK business put sudden life into the stock.

On a less cheery note, there have been signs of unhealthy turbulence in the airline sector in recent days. High hopes had been pinned on the prospects of a business upturn in the summer, which is much the most important period of the year in this business.

But in the event, it turned out that the American public was not willing to swarm back into the skies again at the higher fares which were pushed through in the late spring. Combined domestic and international traffic rose by only 4 per cent in August—a period which was disrupted last year by the air traffic controllers' strike—and volume actually fell on some of the international routes.

The big new bid story of the week was the agreed Xerox offer for Crum and Forster. This put more life into the property and casualty insurance sector, but drew a distinctly cool response from some Xerox followers. They had been starting to recommend the shares again, on the view that the company might be within a year or two of a big earnings turnround after its long battle to introduce new office equipment products in the face of intense Japanese competition.

Now they are not sure. The Crum and Forster bid brings with it quite a lot of earnings dilution in the short term, and raises questions about the bidder's strategy for the long term.

MONDAY	916.30	− 0.64
TUESDAY	934.79	+18.49
WEDNESDAY	927.61	− 7.18
THURSDAY	925.77	− 1.84

MARKET HIGHLIGHTS OF THE WEEK

	Price y'day	Change on week	1982 High	1982 Low	
F.T. Govt. Secs. Index	78.80	+ 1.27	79.05	61.89	Demand picks up on interest rate
F.T. Ind. Ord. Index	581.6	+17.9	596.2	518.1	optimism and Wall Street trends
F.T. Gold Mines Index	370.6	+ 7.5	372.8	181.2	Johannesburg buying
APV	260	−25	292	227	Interim results disappoint
BPB	444	+38	470	318	Int. rate hopes
Barratt Developments	352	+42	352	210	Good annual results
British Home Stores	194	+22	194	118	Strong sector/int. next month
DRG	83	+12	92	68	Interim results
Dunbar Group	780	+140†	820	505	Agreed Hambro Life bid
Exco International	241	+23	245	172	Telerate profits forecast
Grindlays	170	+24	235	146	Revised takeover speculation
Marievale	202	+42	213	63	Speculative buying
Menzies (John)	290	+25	293	215	Interim results
Mixconcrete	205xd	+30½	208	84	Eng. China Clays counters bid
Polly Peck	530xd	+117½	530	314	Speculative demand
Sirdar	148	+15	148	112	Demand after results
Sketchley	322	+38	322	238	Dry-cleaners in demand
Stewart Wrightson	238	−17	282	200	Interim results disappoint
Tarmac	382	+38	382	199	Revived int. rate optimism
Woolworth (F. W.)	71	+17	73	43½	Takeover hopes

† On suspension price.

Hope over experience

MINING

KENNETH MARSTON

IT'S SURPRISING, when you think about it, that so many leading mining issues are standing at, or not too far from, their highest prices this year at a time when the industry is going through its worst crisis ever with little sign of any relief in sight. It must be a triumph of hope over experience.

Among Australians, the loss-making CRA and MIM Holdings show up particularly well. Western Mining seems aloof to cries of "over-priced" and even the hapless Seltrust Holdings stands at nearly double the low of 30p reached earlier this year.

Holders of such issues clearly take the view that when the market for their products takes a turn for the better it will do so rapidly and there is little point in selling good class stock in the meantime—when investment opportunities elsewhere are pretty limited—and risk missing the boat when the market recovers.

Turn, it will, because mining is a cyclical business. The question is when? Sir Arvi Parbo, chairman of Western Mining, can see no early improvement, but in London this week he did offer patient shareholders some encouragement in other respects.

Firstly, he pointed out that at last a sense of economic realism is beginning to emerge in Australia where many people have not been directly affected so far by the world economic downturn. But the effects of the disastrous drought in the eastern states coupled with the slump in mineral markets is now bringing the message home.

Thus he pointed to signs of a long awaited moderation in demands by the mining labour unions which have been seeking not only substantial wage increases but also a shorter working week at a time when company earnings have been withering and disappearing into losses.

Secondly, he took the view that the strong objections to the starting up of new uranium mines by the unions and the opposition Australian Labor Party were not so worrying as might seem to a holder of Western Mining with its new Yeelirrie uranium mine and the exciting Olympic Dam copper-uranium-gold prospect.

"I don't think that there is going to be any effect on uranium mining as a result of a change in Parliament," he said. He told me that Western Mining and its partner British Petroleum were quite happy about Olympic Dam, which is as it should be bearing in mind the huge earnings potential of the big discovery.

In the UK, the price of Rio Tinto-Zinc is making up lost ground. Buyers are expecting that the group's second half results will be no worse than those recently reported for the first half and could well show some improvement.

South Africa's De Beers is acting similarly with somebody, somewhere, picking up sizable parcels of stock. But whatever the reason for the mysterious buying, it seems hardly likely to be based on any anticipation of better second half results.

Of the Republic's mining finance houses, Johannesburg Consolidated, Anglo American Corporation and General Mining Union Corporation make a creditable showing in the price tables. A major reason for this, of course, is the strength of their gold share interests, our Gold Mines index now standing within touching distance of the year's high.

Stockbrokers Strauss Turnbull have just produced "Gold 10," their latest comprehensive review of gold and South African gold shares which rates highly as a text book for the investor. Authors D Fred Collander and Mr David Drummond present their arguments to support the view that the bear market in gold has ended.

Cautiously, however, they point out that the bullion market is still volatile. They take the view that: "Over the short term the price could rise to the $500 level, with a traditional adverse reaction in mid-late October. We then believe the markets (gold and gold shares) will move firmly ahead again during December-March, and we join the ranks of the more optimistic.

"We now believe that under the current monetary cloud, everyone should have some Krugerrands tucked away and some gold shares in the vaults."

Shares of the better quality medium grade mines are preferred. They include Vaal Reefs, Western Deep, President Steyn, Buffelsfontein, Hartebeestfontein Randfontein and Kloof.

Mr Robin Plumbridge has also had something to say about monetary clouds in the annual report this week of Gold Fields of South Africa. "The potential for major bankruptcies is very real and, should economic conditions deteriorate, investment in gold as the ultimate means of preserving assets could be substantially stimulated."

GFSA mines produced 21 per cent of South Africa's gold in the group's financial year to June 30, receiving an average price of R12,281 per kilogramme. Mr Plumbridge says that if the price is maintained at this level in the current year—it is currently around R16,240—the 500 cents (254p) dividend rate should be maintained.

The shares are currently yielding a modest 6 per cent at a high for the year of £41¼ and the market is clearly expecting GFSA to be able to pay a bigger dividend. It is a reasonable assumption, but it should be remembered that GFSA will also be aiming to restore the earnings cover for the dividend to something better than the current 1.6 times.

Blyvooruitzicht says that if costs can be held in check and the gold price received does not fall below R15,000 per kilogramme (equal at present exchange rates to $405 per ounce) it should be possible to lift the December interim slightly above the final of 90 cents declared in July.

Operating costs are of particular concern to the gold- and uranium-producing Harmony which has to manage with a fairly marginal ore grade of just over 4 grammes gold per tonne. Uranium revenue helps, of course, and is expected to provide further profits over the next 12 months.

In the longer term, increases in contract prices will become necessary otherwise uranium production may have to be curtailed. If the bullion price keeps up it will greatly ease matters for this high-cost mine and it is hoped that the final dividend in March may be somewhat higher than the recently declared interim of 85 cents.

An obstructed road

FINANCE AND THE FAMILY

BY OUR LEGAL STAFF

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

The Planning Permission for the house I am building on a private road requires me to provide space on the site for builders' vehicles and off-loading. I have done all I can to comply with these conditions but occasionally, for very brief periods, the road is obstructed. My neighbour has complained to the Council who are threatening enforcement action. What form can this enforcement take and what is the timescale?

If the condition is that you must provide space for vehicles and unloading you will have complied if you have provided such a space, and the fact that the road is obstructed would not be a want of compliance. The local authority may (not must) serve an enforcement notice requiring your compliance within a period specified after the taking effect of the notice, and the notice itself must be stated to take effect not earlier than 28 days after its service. Hence the timescale would be, say, eight weeks after service if 28 days were specified for compliance. Alternatively your planning permission may be vitiated by want of compliance with the condition, in which case an enforcement notice may require you to stop building; but again two periods must be stated in the notice as indicated above.

Reopening assessments

My tax inspector is demanding information on my affairs going back to 1965. I have tried hard to give him this information but for various reasons have been unable to do so. The inspector now says that he has the power to form an estimate from my tax returns submitted for those years and tax me accordingly. Can the inspector go back all those years? What rights have I in this matter?

The practical extent of the inspector's powers depends on the particular circumstances which led him to reopen past years' tax assessments, etc, so it is difficult for us to help you. If you cannot afford professional advice (from a local accountant, for example), you may like to write to your MP, setting out the facts as fully as you reasonably can, and explaining your difficulties; a letter from your MP may have the effect of at least easing the tax inspector's pressure upon you.

SE share suspension

My father left a number of shares which have been transferred to my mother under the terms of his Will. However, the solicitor who is dealing with the estate has advised that the shareholdings in two companies cannot be transferred, because the shares are currently suspended by the Stock Exchange. As far as I am aware these two companies have not actually been wound up and, therefore, the shares could possibly have a value in the future. If the Solicitor's advice is correct what action should be taken to ensure that these shareholdings are not "lost" to a possible future holder?

The shares themselves can be vested in the appropriate beneficiaries, by means of an assent under hand, and notice given to the Registrars of the companies in question that application to register transfers will be made as soon as dealings are resumed.

A pension from the U.N.

I shall be retiring soon after 10 years working overseas for the United Nations from which I shall draw a pension of $9,800 in addition to pensions and other income from UK sources. My wife has for the most part lived in our house in the UK during these years. On my retirement I am thinking of buying an apartment in France in which I should reside for about half the year and my wife and daughter would spend holidays. Could you tell me what will be my tax position? In particular would the UK (or French) tax authorities tax me on the $9,800 if it were paid into a bank in Vienna?

As soon as you retire, you will become resident (and ordinarily resident) in the UK, for UK tax purposes, as you will see from the free Inland Revenue booklet IR20 (Residents and non-residents: liability to tax in the UK). Copies of this booklet are available at most tax inspectors' offices.

We take it, from what you say, that you are (and always have been) domiciled in England and Wales. That being so, your UN pension will be taxable in the UK (whether remitted here or not), subject to the 25 per cent deduction which you will find explained in another free booklet, IR35 (Taxation of foreign earnings and foreign pensions).

Article 22 of the France-UK double taxation convention of May 22, 1968, should protect you from being taxed in France on your UN pension. In a local reference library, you should find a copy of this convention (as amended) in, for example, volume 5 of the British Tax Encyclopedia or volume F of Simon's Taxes.

Not worth holding

I am executor of my aunt, whose estate included 28 shares, the certificates of which have been lost, though the company Registrar confirms that she was a shareholder. The dividends are so small that it seems hardly worth while incurring the cost of an indemnity against the issue of a new certificate, brokers' commissions and so forth. The legatees are my two sons. What should I do? Can I just tell the company to write them off?

You should include the value of the 28 shares in the valuation of the estate, since the testatrix was on the company's register of members and shown as the holder of those shares. The company would normally ask you, as executor, to give an indemnity against loss which might be occasioned by there being two certificates in existence before issuing a duplicate share certificate, but this should not involve any cost beyond the appropriate fee for the duplicate itself. You can only ignore the holding if the legatees, all being of full age and understanding, consent.

Derelict land in N. Ireland

Fifty-five years ago my grandfather died leaving behind a plot of land and a small cottage in Northern Ireland, which has been left derelict ever since. None of his children bothered about it or claimed it. My cousin and I are wondering if it would be in our interests to put in claim for the land, as my father and his brothers and sisters are all dead. Would we be the sole beneficiaries or would we have to share with other cousins who are not even interested? Also if we did succeed with our claim, would we have to pay rates dating back fifty-five years? I have approached a couple of solicitors but they say they do not know the law of Northern Ireland.

In England, if your grandfather did not make a valid will, the grandchildren could claim in right of their respective parents. All grandchildren would claim, but the division would be determined by the number of children, each child representing a "stock" so that where a child in turn had, say, three children and another child had only one, the latter grandchild will take three times as much as the former grandchildren. It does not matter that some cousins may not show any interest; whoever administers the estate must give each grandchild his or her proper share. Back rates would not have to be paid. If the land is in Northern Ireland we cannot advise you of the position save that it is likely, but not certain, that the law is the same.

Pensions, the CBI and early leavers: **Terry Dodsworth** reports

Gradually towards retirement

WHAT THE recent debate over early pension scheme leavers has unquestionably shown is that there is no easy answer to the problem. There are many ways of adjusting existing schemes to help mobile employees who decide to leave and want to conserve the highest pension possible. But changes generally involve either reducing other benefits or increasing contributions from those people who remain in the scheme.

The Confederation of British Industry has now entered this debate with a gradualist approach which suggests that companies can no longer ignore the early leaver issue. In a new advisory document it has come up with a series of suggestions to help companies adapt their schemes progressively. It argues that this would be a more acceptable course than being forced into radical changes through legislation which would not take into account all the different types of scheme.

To a degree, the CBI has been forced into this position by government pressure to do something. Mr Norman Tebbit, the Employment Secretary, has made it clear that he has not ruled out legislation, and the unions are also taking up the issue. The CBI itself also recognises that the problem will not go away in a period of high redundancy and apparently increasing job mobility. Already up to 90 per cent of employees paying into occupational pension schemes change jobs at some time during their career, and mobility is likely to increase during a period of rapid technological change.

In the document, prepared under the chairmanship of Mr Richard Neale, manager of the Imperial Group pension fund and chairman of the CBI's pensions sub-committee, the devices for adjusting existing schemes include the following:

- Elimination of the "franking" system whereby the obligatory revaluation of the guaranteed minimum pension in contracted-out schemes is offset against other scheme benefits. What currently happens in many schemes is that deferred pension rights in excess of the guaranteed minimum level are gradually eaten up by off-setting the revaluation against them. The pensioner thus gets his guaranteed minimum, but nothing else—even though contracting out schemes are sold to employees on the basis that they will give better overall benefits.
- Schemes which automatically guarantee increases at a fixed rate for pensions already being paid, could extend the guarantee to deferred pensions during the period of deferment. This would be one way around the erosion of frozen benefits through inflation.
- In schemes which do not guarantee increases at a fixed rate, but have *ad hoc* reviews and pay increases when the fund permits, deferred pensions could also be included in the additional benefits.
- Schemes could provide for some fixed annual percentage increase in pensions which have been deferred.
- Better provisions could be made for buying out contracts under which employees take lump sum to purchase a with profit insurance contract.

The CBI also makes a number of other suggestions which all urge a more generous treatment for the early leaver. The catch, of course, is that many companies might find them difficult to implement at present funding levels. And, in addition, employees who remain in the schemes may not be happy to see some of the changes. The early leaver, by definition, does not have a vote in the scheme he has left, and more benefits for him tends to mean less for those who stay.

Even so, as the CBI points out, the pensions industry has shown itself highly adaptable in the past in responding to new demands. The idea of basing pensions on final salary, for example, was introduced to respond to the impact of inflation. Many schemes have enough flexibility to make modest changes here and there and could therefore respond to the needs of the early leaver.

Martin Taylor examines the revival of a City favourite

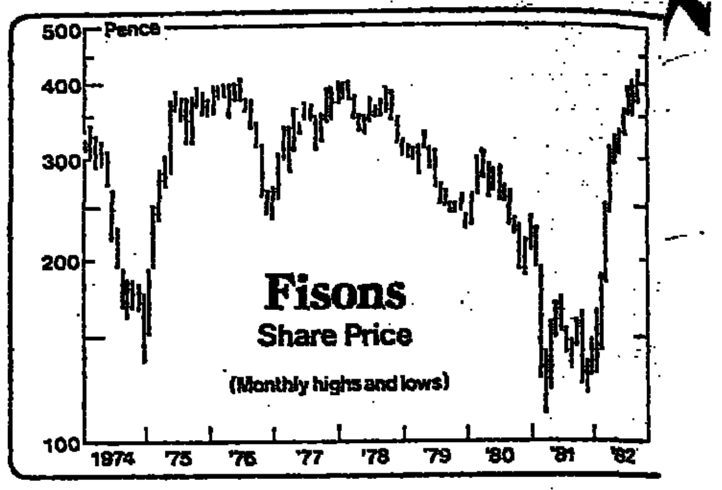
Why Fisons is all go-go again

VISITORS TO Fisons' head office in Ipswich cannot fail to notice the large chart of the company's share price which adorns the lobby. You can see why they are proud of it. From 157p at the beginning of 1982—and not much more than £1 a *few months earlier*—the shares have risen above 400p, back to the heights of the mid-1970s when Fisons was a go-go pharmaceutical growth stock.

In the eyes of investors, this is what it has become once again. Yet only 18 months ago, that seemed a far-fetched possibility. The company's most promising new anti-allergic product, Proxicromil, had been withdrawn as potentially dangerous just before its planned launch—"6½ years down a 7-year track," as Fisons' chief executive John Kerridge puts it. And the company was still groaning under the problems of its fertiliser division—Fisons' most long-standing business which tied up large amounts of fixed and working capital and, hamstrung by a cost disadvantage vis-a-vis its principal competitor ICI, had been earning lousy returns for years.

Early this year, Fisons did something that had previously been considered unthinkable and even impossible. It sold the fertiliser division. Unthinkable, because it was a "core" business—impossible, because who would want to buy it? In fact, in Mr Kerridge's opinion, the difficulties were much exaggerated: no one had ever really tried to sell it. When Fisons really decided to make the disposal, they found a buyer—the feedstock rich Norsk Hydro from Norway, in a position to take on ICI—very quickly. The business was sold well below book value, but it brought £50m of cash into Fisons' balance sheet and removed a heavy burden from the corporate shoulders.

Following the hiving off (into a joint venture with Boots) of Fisons' struggling agrochemical interests in 1980, this left the company with a much smaller portfolio of businesses in which the star pharmaceutical division stood out more clearly than ever. Fisons' 1980 sales were a whisker below £400m: in the first half of 1982, the wholly-owned businesses had turnover of only £125m. First half profits were up from the 1981 first half low point of £1.6m to £9.1m, thanks to the excising of the loss-making fertiliser side, and the related reduction in interest charges.



What the City likes about Fisons at the moment is an attitude of mind as well as much better figures. This is shown not only in the willingness to disengage from unsatisfactory traditional areas—"we have no room for businesses if we can't rack the return up substantially," says Mr Kerridge—but also a new approach to marketing and development. Fisons has always been a big spender, given its size, on research and development—but mostly on research. That has all changed. "We want to be more like Beecham, and squeeze the last drop out of our products."

Rather than bewailing the new product gap left by the last-minute failure of Proxicromil, Fisons is doing more to increase returns on the mature anti-asthmatic product Intal and its derivatives. Intal suffered from the disadvantage that it could only be taken by the patient by means of a rather complex, whirry machine called the "Spinhaler." The Spinhaler was ingenious, but Fisons always knew that a more conventional method of delivery would have increased Intal's general level of acceptability. It is only now that an aerosol (Fisons prefers the name "inhaler") form of Intal has been developed—a modest technical advance which has made a world of difference to sales.

A more aggressive approach to marketing has gone along with the product development of over-the-counter products as well as ethical drugs. Fisons now boasts that Sanatogen is the second largest brand sold through chemists. It was not quite done to discuss this ancient and unglamourous product a couple of years ago. There is also an end to the big-company illusions of the mid-1970s. The move from Mayfair to Ipswich (the refurbishment of the run-down Ipswich building was paid for by the sale of the corporate art collection) was symbolic of the new austerity.

Fisons has also learned from the Proxicromil disaster not to put too many of its research eggs in the same basket. "We now have six new products which we are bringing along in parallel," says Mr Kerridge. "We shall postpone selecting one above the others until the stage of mass clinical trials."

Outside pharmaceuticals, the scientific equipment and horticulture divisions are being expanded by modest acquisitions—an Australian distribution business in one case, and reserves of peat in the other. The recovery in Fisons' share price greatly lessens the immediate threat of take-over—very real just after the fertiliser division had been sold—and gives Fisons the capacity to take over a company of some size if it wanted to. That might not be immensely popular in the City which has not forgotten the very expensive take-over of the scientific equipment company Gallenkamp in 1977.

Fears that Fisons may want to use its highly-valued paper are a possible drag on the share price. And no amount of clever marketing and development can disguise the absence of a substantial new product on the pharmaceutical side. Not all City analysts are convinced that Fisons deserves the last 75p of its share price recovery, which owes something to the present fashion for pharmaceutical companies—and indeed the share price has come slightly off the boil since Monday's interim figures. But the years of decline during which many fund managers developed an allergy to Fisons, seem to be over.

Barry Riley looks at the Robeco Road Show

No sex please, we're Dutch

"No Sex Please — We're British" was the last play to feature at London's Strand Theatre. This week the auditorium, darkened for many months, was briefly reopened to put on a very different form of entertainment — Thursday's Road Show by the Robeco group, the Rotterdam fund management organisation.

The Dutchmen were in town to publicise the listing on the London Stock Exchange of Rorento, which they claim is the world's largest bond fund. First offered to the Dutch public in 1974, the fund is now listed on 14 stock exchanges, and has grown to a total of £640m.

For much of this week, Robeco's representatives have been talking to professional advisers and institutional investors in London and Edinburgh. But they are also aiming to sell shares in Rorento to private investors—and they were surprised to receive as many as 400 acceptances to invitations to Thursday's Strand Theatre presentation.

The Robeco group has for some time been mulling over the problem of how to boost its presence in the UK. At one time there were quite a few British shareholders in the original 49-year-old equity fund Robeco, but the number has dwindled over the years. The more recent funds Rolinco, a growth oriented trust, Rorento, the bond fund, and Rodamco, a property vehicle, have never had much impact in Britain.

The Robeco group's main problem in attracting British support is that it is competing for the private investor's capital against a wide variety of domestic funds.

Fairly generous commissions are paid by unit trust management companies to stockbrokers or other intermediaries who find new investors. And there can be extra kickbacks in the form of reciprocal business in shares sent the way of brokers who are successful in selling units.

In contrast, shares in the Robeco group funds are bought and sold through the normal operations of the stock market. The commissions are less than on unit trusts, so it takes a fairly selfless stockbroker to put his client into a less remunerative alternative.

In going through the stock market route, too, Robeco cuts itself off from all the other intermediaries like accountants or insurance brokers who are active in serving the private investor market.

The reverse side of that coin, however, is that the Robeco type of fund can be an economical form of investment. Lower commissions mean lower costs for the investor, and Rorento, for instance, boasts that its *operating expenses amounted to* a mere 0.26 per cent of average net assets in the latest financial year.

But there is a further hurdle for Rorento to jump in Britain, in that bond funds are by no means so well regarded here as they are in many other countries.

Fund manager Nicolaas Veer explains that Rorento seeks to manage both its bond investments and its currency exposures. At present it is largely invested in dollar and guilder bonds, but it has a significant exposure to sterling through the forward currency market. The fund is staying clear of Deutsche Marks, Swiss francs and Japanese yen.

The real advantages of such an international bond fund are enjoyed by investors in a country with a weak currency. Sterling has been relatively steady in recent months, so the gains for British holders have *not* been very remarkable.

In all, the Robeco group has well over £2,000m of funds under management (and has recently annoyed the Dutch banks by setting up a savings bank subsidiary). It has a sound long term record, but has tended to invest too heavily in Wall Street over the years, with an adverse impact on its performance.

The group recognises the need for alertness and flexibility, but places great emphasis on solidity and thoroughness, which leaves it with a slightly stodgy image. Maybe the title of its presentation at the Strand Theatre this week should have been "No Sex Please—We're Dutch."

YOUR SAVINGS AND INVESTMENTS—2

William Hall looks at a big deal for a tiny bank

Hambro Life and the revolution

WHY DID Hambro Life, Britain's most successful life assurance company, pay £10.4m, or more than four times book value, this week, for Dunbar, a tiny merchant bank whose only claim to fame is that Sean Connery owns 8 per cent of the action and several of sports promoter Mark McCormack's stable are among its client list?

It is a question that has been hotly debated over City luncheon tables as analysts try to reconcile the price Hambro Life is paying for an unknown licensed deposit taker with the lowly rating normally accorded to bank shares. Barclays Bank, for example, is valued at less than half its net asset value in the present stock market.

Hambro Life has great plans for Dunbar, a small well-run private bank with a staff of under 50, assets of £23m plus another £70m under management and this explains why it was prepared to pay such a fancy price.

"We feel very strongly that the dividing lines between various financial institutions are going to break down and there is going to be a scramble for marketing outlets," says Mark Weinberg, Hambro Life's chief executive.

"At the same time the life insurance industry is going to find itself isolated as a high cost marketing operation in the years to come unless it widens the range of financial services it sells through its marketing outlets," says Mr Weinberg, who has a sales force of 3,000 plus a couple of thousand insurance broking outlets.

"We are in a strong position to make our life assurance company the hub of an integrated financial services operation on a lower cost basis than either a clearing bank or a building society which have to carry very large high street branch networks."

With an eye on what is happening in the U.S., where the financial services industry is undergoing a major revolution as new participants challenge the banks, Weinberg says that the purchase of Dunbar, should be seen as a long-term move to position his company for the changes he sees coming in the UK financial services industry.

At the moment these are just on the drawing board, but are likely to include a U.S.-style money market fund and a general move to the provision of a full range of financial services.

At present the group sells four main products—lump sum investments, personal pension schemes, high life cover plans and savings plans. "We could be selling three times that number in six to seven years' time," says Mr Weinberg.

"Our feeling is that a life insurance sales force is a good point to start from. It is probably the most difficult financial service to sell and once you have sold it and gained the confidence of the customer, he will readily look to you for an introduction to other financial services."

In the financial services industry of the future, Mr Weinberg firmly believes that a company has to look upon itself as being a retailer. "The clearing banks could do it, but they are not fast moving enough, and are afraid of stepping on toes and established clients." The same goes for the building societies, but to a lesser extent.

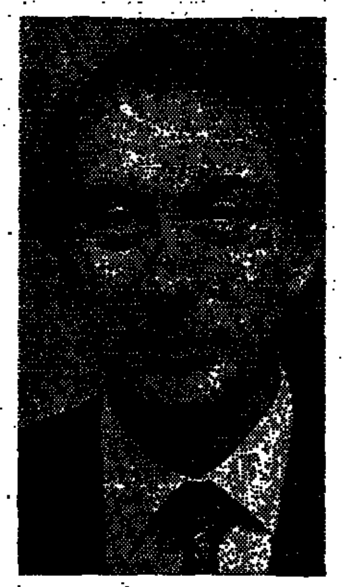
"We are all moving in the same direction. We just feel that if it comes to a battle for outlets we have 3,000 sales staff each of which has a cluster of between 300 and 500 personal clients who trust them."

This is where Dunbar fits in. Hambro Life has been hesitant to diversify before because it did not want to spread its management too thin. However, David Backhouse, the chief executive of Dunbar, has impressed Mark Weinberg and his colleagues.

Dunbar's performance since David Backhouse came in just under ten years ago has been impressive. Pre-tax profits have risen steadily from £73,000 to £854,883, the firm has eschewed regular rights issues unlike some of its small rivals, and it first placed it shares on the unlisted securities market in December, 1980 at £3 per share. In May it got a full Stock Exchange listing for its share and they are standing comfortably about £8 per share.

"There is a temptation to think that there are a few fellows who have done quite well over a number of years and now they are taking their chips and going away," says David Backhouse. Nothing could be further from the truth, and his membership of Hambro Life's small executive committee reflects his intention to stay with Hambro Life over the long term.

"You can have brilliant ideas but unless you can find a market for them you will never make them worthwhile. In the end marketing is the real challenge in the financial services industry," says Mr Backhouse.



Mr Mark Weinberg

As the university year begins, Rosemary Burr reports

Goodies for students

WITH THE start of the university year approaching, the banks have put together packages in an attempt to lure new customers. Lanky youths trailing university scarves are portrayed suitably impressed by the array of goodies offered by the particular bank of their choice.

When it comes to picking a bank, most people tend to make the same choice as their parents. In order to combat this trend the banks each year market an increasingly lengthy list of facilities for students.

A brief perusal of the facilities available throws up interesting variations. Among the clearers, National Westminster is by far the least generous. Unlike Barclays and Midland Bank, Nat West is clearly not keen to tolerate students getting overdrawn.

In addition, while the other clearers will not charge the students for debit items if they are overdrawn with the bank managers' approval, National Westminster does not offer this facility.

The best buy depends on whether students plan that the day will come when they have to go cap in hand to the bank manager seeking an overdraft.

The standard overdraft rate is usually 3 to 5 per cent above base rate but both Barclays and Midland will only charge 1 per cent over base rate.

Of course the banks place some restrictions on students' overdrafts.

If you are studying to be a solicitor Midland is more openhanded. This week the bank introduced a special loan scheme for post graduate law students studying to be solicitor but not barristers. One year students can borrow up to £2,500 for a maximum of five years at reduced rates and two year students up to £5,000 for up to seven years.

The rate of interest is a mere 4 per cent during the period of study and for the 12 months afterwards. After this the rate rises to 2½ per cent over base. No repayments need be made during the course and interest only can be paid while the trainee is in articles.

Cheque books, cheque guarantee cards and cash cards are traditional student fodder but no bank includes a credit card in its student survival kit. Barclays does say that if a student is over 18 then he or she will be given a Barclaycard which acts as both a guarantee card and a credit card. There is, of course, nothing to stop students applying for a credit card and it would be up to the credit card company to assess their creditworthiness.

The special treatment does not come to a halt on graduation day. Barclays will lend graduates £500 at reduced rates while Williams and Glyn's say a similar sum may be made available.

Apart from the strictly banking services, the clearers have tried to spice up their appeal by offering a range of frills. Williams and Glyn's gives students opening an account with their grant cheque before November 30 an £8 booktoken.

Midland seems to feel that students will want to get away from it all. So the bank gives away membership to British Airways Jetclub and students get an ISIC card entitling them to a third off National Express coach fares.

National Westminster Bank also sees students as potential globetrotters. The bank will allow students to obtain up to £200 a year of currency or NatWest travel cheques free of commission.

PROPERTY

Living high on the heath: in London's prime village

BY JUNE FIELD

IN 1901, Hampstead households were said to possess the highest ratio of servants, 81 per 100 *families.* Then a *fashionable* village on the northern heights of London, less than five miles from Charing Cross, now a bustling suburb in the borough of Camden, the social cachet remains, even if with today's labour-saving devices the need for outside help is less.

Near Hampstead Heath—originally preserved from further development around 1871 when the Lord of the Manor, Sir Thomas Maryon Wilson was prevailed upon to hand it over for public use—is a particularly desirable area to live: "The undulating country is so *full of variation that you find* nearly all the outside effects that European painters have depicted," wrote Danish architect Steen Eiler Rassmussen in *London the Unique City, 1934,* just republished in a revised edition in English by MIT Press. "In the damp atmosphere of the twilight the mirror of the Hampstead ponds *behind the* willows look just like a Corot."

Among the famous names recorded by Ralph Wade in *The Plaques of Hampstead,* 1980, is John Constable (1776-1837), who lived at 40 Well Walk. Another plaque to the painter is going up in the area, organised by the Heath and Old Hampstead Society, recording that Constable's view from Judges Walk, which shows the Heath, Branch Hill Pond, and Harrow in the far distance, was painted near a house called The Salt Box, West Heath Road. (The work is presumably "Hampstead Heath with the House called the Salt Box," now in the Tate Gallery).

This house was replaced by The Grange, a 1906 gable-ended, tile-hung dwelling, home of the late Victor Henry Inman, Bond Street shirtmaker and local magistrate. This house has also been demolished, so the plaque will go on The Grange site which is now being marketed as "the most exclusive new housing estate in Britain."

Barratt Central London, who bought the four acre site at tender for a reputed £1.6m through Knight Frank and Rutley's Sloane Street office this time last year, is building 23 houses designed by architects Ted Levy Benjamin and Partners in the pretty tree-lined grounds. Only those buyers in the £355,000—bracket should read on, because this is the lowest price of the five-bedroom, three bathroom, four living-room homes equipped with every amenity for luxury living.

For that price you get a whirlpool bath in the main bathroom, and novel little extras such as "planter boxes" over the top of the concealed lavatory cistern: the boxes simply lift off in the unlikely event of the plumbing needing to be attended to. The gas central heating has eight programmes plus "boost" and frost-protection thermostats, and there is an open fireplace in the main 23 feet long by 15 feet sitting room with its lofty wood-lined ceiling. A 10 feet square "snug" area leading off down a few steps, is for tucking yourself away in to watch television.

The comprehensive security package includes two entry video-monitors linked to a television camera within the front entrance area; there are casement security locks on the windows, and a "panic" button in the main bedroom by the bed sets off a floodlighting system to provide what the sales brochure terms as "immediate visual awareness."

The stylishly furnished show-house by Heal's, appropriately called "Constable" incorporates a keep-fit room on the ground floor, next to the double garage, complete with sauna and spa bath. Or the area would make staff quarters. To buy this version with the carpets, curtains, cushions, blinds, specialist wall-coverings and units plus sophisticated kitchen fitments in a smart silver-grey finish, costs £470,000 complete. While I was there a Swiss businessman showed what Barratt Central London managing director, Mr David Pretty, called "keen interest." and already three subject-to-contract sales for completion early next year have been made on the other houses.

He says: "We expect to sell at least half to British buyers with the balance to perhaps British-based executives from overseas." For a brochure contact Mr Pretty, Barratt, 1 Wilton Road, London, SW1, or call at the showhouse open seven days a week, 11-6.

You could pay in the region of £325,000 for a house in Church Row, one of Hampstead's chief glories, an almost completely preserved early 18th century terrace near the church where John Constable is buried. As Clive R. Smith observed in the recently published *Hampstead As I Was,* which shows a 1909 photograph, there is "thankfully very little change, apart from the parked cars and the absence of maids cleaning the doorsteps." Number 9 with six bedrooms, three bathrooms and a self-contained basement apartment with a wine cellar and walled garden, is being sold by Lord Ravensdale, better known as author Nicholas Mosley. (Brochure Miss Stephanie Bluestone, Chestertons, 26, Clifton Road, W9.)

A five-bedroomed, three-bathroomed house in Winnington Road, N2, leading to Hampstead golf course, one of the roads known, with The Bishop's Avenue as "Millionaires' Row," could cost nearer £2.2m. Mr Nick Underhill of Hampton and Sons' Heath Street office, told me he had already had a dozen inquiries for one in that bracket which includes a swimming pool with a wave-maker as well as a sauna, and is for sale now. He also reports considerable interest in 59, Heath Road, Lord Beaumont's handsome 1930s house, now vandalised, which Allied Properties bought for £1½m. The house is to be restored, and seven £1m houses build in the garden. And Temple Hill House, *Templewood* Avenue, a neo-Georgian house in 1.3 acres built in 1913 by architect C. H. B. Quennell, and until recently used as an annexe for Charing Cross Hospital, is under offer in the region of £600,000 through Mr Jonathan Morton, Weatherhall Green and Smith, Chancery Lane, WC2.

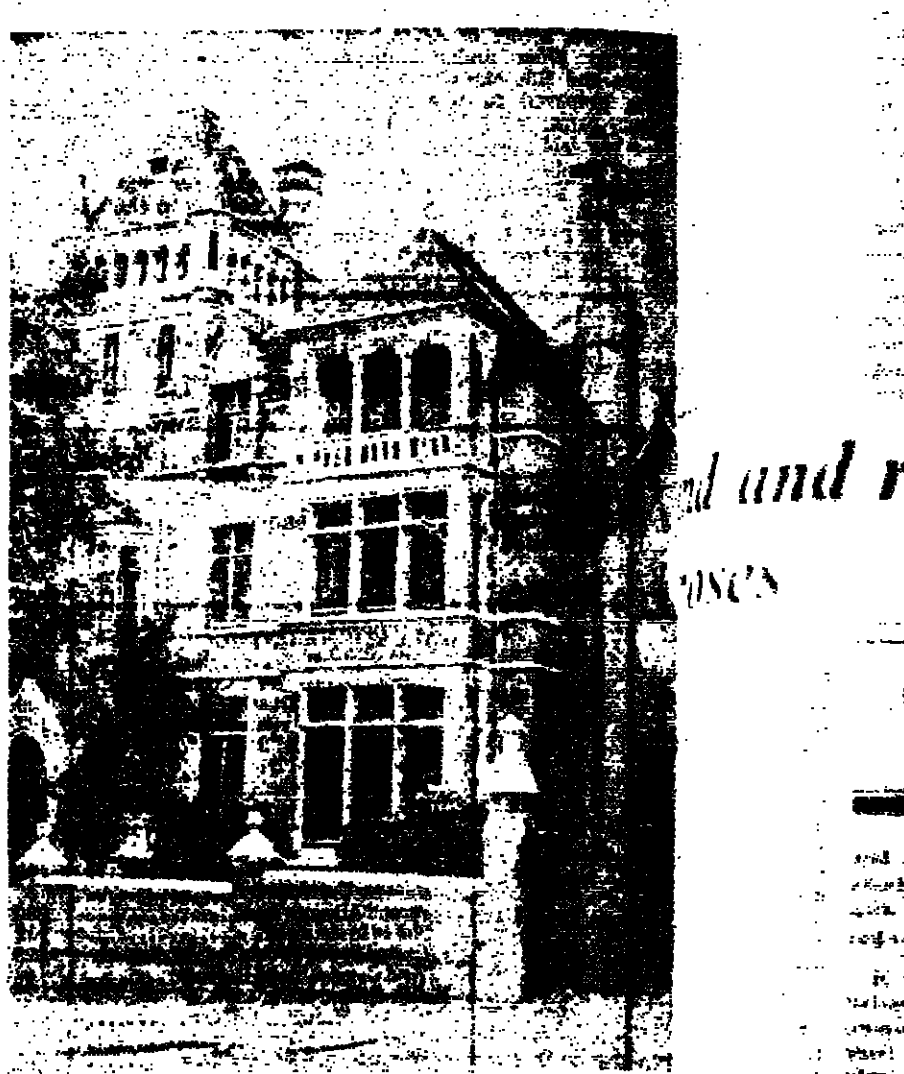
There is no doubt that developers are moving in to mop up the choicest land near the Heath. Adjacent to The Spedan Tower (now of Grange, the four-acre site demolished), the one-time home of department store head John Spedan Lewis, was bought from Camden Council by Bukhatir Investments UK for £2.5m. Mr David Frost, Anscombe and Ringland's Heath Street office told me. He will be marketing the 48 houses and apartments planned to be built there next year.

"The ponderous, king-sized residence will excite admiration, amusement or indigestion according to how you view things," is how Ian Norrie described Fitzjohn's Avenue in *Hampstead, Highgate Village and Kenwood, 1977,* which I bought at the local High Hill Bookshop. This wide tree-lined road built in the 1870s to link Hampstead with Swiss Cottage, still has a selection of massive Victorian Gothic houses some originally designed for artists. Architect Norman Shaw built No 6 for society painter Frank Holl, and No 61 for Edwin Long, and T. Green created No 75 for Paul Falconer Poole.

Probably the most dramatic building is the Tower, 55, Fitzjohn's Avenue, a tall red brick dwelling designed in 1880 for the wealthy Herbert Fleming Baxter by J. T. Wimperis. Left derelict a few years ago, it has been extensively restored and extended since it was bought on tender in October 1978. Architect Mr Ahmad Farough-bizedah has carried out an extremely imaginative conversion, retaining most of the period features such as stained glass, *art nouveau* fireplaces, shuttered windows, ornate ceilings, and a wealth of carved wood. But be warned, lofty tower rooms, bed-galleries, and spiral staircases are for the adventurous who want something dramatically different from a traditionally designed home.

After a few months on the market, two apartments have sold, and prices have now been reduced, with a one bedroom balcony unit for £47,500, two bedrooms for £83,000 and a turret—penthouse with views practically to Heathrow on a clear day, £220,000. (Details from Mr Tim Pearse, Hampton and Sons, and Mr Stephen Stamp, Anscombe and Ringland, both in Heath Street, NW3).

The "Constable" showhouse at The Grange, West Heath Road, named for the artist John Constable who is said to have painted his view from Judges Walk near the site. The 5-bedroom, 3-bathroom houses designed by architects Ted Levy Benjamin and Partners, are from £355,000 to £470,000 for the showhouse with its extras. Brochure from David A. Pretty, managing director, Barratt Central London, 1 Wilton Road, SW1 (01-630 5721), or at the house open seven days a week, 11-6.



The Tower, 55 Fitzjohn's Avenue, Hampstead, NW3, built in 1880 for Herbert Fleming Baxter, has been extended and converted into 10 unusual apartments, from about £47,500 for a 1-bedroom balcony unit to around £220,000 for the 2-bedroom, 2-bathroom turret-penthouse with terrace and viewing gallery. Details Stephen Stamp, Anscombe and Ringland, 55 Heath Street, NW3 (01-794 1151), or Tim Pearse, Hampton and Sons, 21 Heath Street, NW3 (01-794 8222).

The pick of the swaps

TRAVEL

PAMELA JUDGE

"THIS IS Stuttgart," said the voice on the 'phone at 9.30 on a Saturday morning in February. Stuttgart? All of it? Then the pfennig dropped, of course, we had decided to put our house in a list of swaps last November and here was a German family fast off the mark with the first issue of the booklet. We didn't have Germany on our minds and anyway the dates were wrong.

The next call came from Blandford Forum in Dorset suggesting an Easter exchange. A good idea to bear in mind but we had a longish holiday to arrange.

Several reasons made us look into the idea of exchanging houses in the summer: Nobby Clarke, an FT colleague, had had three successful such ventures, going to Holland, France and Denmark with his family; we had had several happy hols renting flats or studio apartments in slightly out of the way places; and, as my husband remarked gloomily, a longer-than-usual stay away, possibly in a hotel, would "involve a capital sum." Swapping houses costs virtually nothing.

In the event, we had nearly 40 enquiries. They came—some by 'phone—from all sorts of places, town, country and seaside, and eight countries. In the U.S. we could have gone to Florida, Massachussets and California to say nothing of a late enquiry from New York, or even to a house in Las Vegas which was tied into stereo and had, of course, a pool. Then there was the option on Karelia in eastern Finland (there must be something to be said for on-site Sibelius), a flat in Grenoble with a chalet in the mountains, a cottage in the Black Forest or a holiday home in Calabria.

It was a window on many worlds and involved writing some 30 letters of regret because by mid-February we had taken the plunge. We were going to spend July in a holiday house near Toulon and our guests would leave their main home in Orleans for the month in our London terrace.

The mechanics of the operation? Following in Nobby's footsteps, we used Intervac which started in 1963 and now has over 5,000 swappers in 30 countries, many of whom are academics or retired people. We sent off and got "The Form" (plus a lot of useful information). The Form is critical because in its code you describe what you have to offer, how many there are in the family and when and where you would like to go. And so do all the other exchangers. It is easy to follow the instructions and there is a 90-character space in which to list the attractions of your home and area. For example, "Beautiful modernised cottage, Yorks dales rivers and abbeys". or, in our case, "Easy to explore London." The subscription was £16.

The trans-lingual abbreviation code covers a multitude of points: mk, for instance, is a modern kitchen, fn equals friendly neighbours, cs stands for convenient shopping and pc means pet care. For destinations EU will bring enquiries from anywhere in Europe, F means France and O tells people in 30 countries that you are adventurous will-go-anywhere types. ee are "experienced exchangers."

Between February and June we traded information with our ees: Fred, the dishwasher, we said, worked best when given a little pat on the left side of the door as it was closed and the automatic coffee percolator worked fine so long as the timer was moved to "hold" at the appropriate moment — little things like that. In return we got directions for finding the house, how to turn on the gas and mind the bump as you turn the car into the gates. (Every cooker ever made, gas, electric or solid fuel, has its own idiosyncrasies and French ones have more than most—Judge's First Law.)

Our ees invited us to stay overnight with them on the way down in order to exchange keys—very pleasant it was too—and off we jolly well went and had a great holiday. (Beware of French deckchairs — Judge's Second Law.)

So what are the wrinkles in the scheme? One point to make right at the start is the importance of checking on the sort of things nearest your heart on holiday—for instance, if you are among those mad people who actually like picnics you might find you have to take your own equipment. The second important point is that you and your swappers make the arrangements and there is no Association of British Travel Agents to fall back on if things go wrong.

Obviously the more correspondence the better and it is easy to exchange references. Insurance shouldn't pose any problems as the ordinary household cover continues although it seems that car swapping is not fearfully popular with the companies. In general the householder pays the gas and electricity bills but long-distance 'phone calls are the responsibility of the guests.

It is reasonable to expect to be done-by-as-you-did so the civil thing is to leave your holiday home neat and clean.

There is a fringe benefit in swapping houses, apart from the rent-free holiday. All those little jobs that get put off somehow have to be done—we've now got a mended lampshade, a decent toaster and space in the spare bedroom cupboards, among other things.

● Intervac, at 6 Siddals Lane, Allestree, Derby, will give you a lot more guidance with the subscription form.

The Ford Sierra—this is the Ghia version—is as advanced in styling as the Cortina had become outdated.

Ford's futuristic styling

MOTORING

STUART MARSHALL

A LOT of people say that all cars look the same nowadays because they are designed by computers. The Ford Sierra and Citroen BX prove that they do not.

They are computer-designed all right but as different in appearance as they are under the sheet metal. The Sierra has rear-wheel drive, steel-sprung all-independent suspension not unlike a Granada's and a rounded five-door hatchback body. The Citroen has front-wheel drive, self-levelling hydro-pneumatic suspension and styling that while not without curvature, manages to look almost angular.

The futuristic styling may startle the millions who have bought the increasingly boring Cortina and who are now expected to switch to the Sierra. They should have no fear of making the change. Whatever they think about its looks, they will find it a vast improvement on the Cortina in every respect.

Ford has not only thrown away the obsolete live rear axle; it has at last launched a critically important new car with a properly developed rear suspension. The left-hand drive Sierras I tried in Sardinia a couple of months ago rolled hardly at all on fast bends and rippled over rough dirt tracks with a smoothness that could seduce long-standing Renault or Peugeot owners into Ford dealerships.

The Sierra will be offered with six petrol engines from 1.3 to 2.8 litres capacity, all much the same as those in current Escorts and Granadas. A 2.3-litre Peugeot diesel engine is also available. Most models have a new five-speed gearbox with a high-economy top and Ford's traditionally excellent shift quality.

The five-door hatchback body for which Ford claim an aerodynamic drag figure 22 per cent better than the European average will be joined by a nice-looking estate car in a few weeks and by a three-door hatchback XR4 a little later on.

RX4 is the only Sierra that will have the 2.8 litre fuel injected engine. Ford says it will do over 125 mph and it must surely ring down the curtain on the Capri. Or at least it will when smaller engines than the 2.8 V6 are eventually put into the three-door shell.

The Costa Smeralda in July, with the temperature well over 90F, is no place to drive a non-air conditioned car with all the windows and sunroof shut, even though the Sierra's face-level ventilation has a good throughput. And in this land of gin-clear sea and silver sand, there aren't any motorways. So I can't say anything about wind roar or noise levels generally. That must await longer driving experience in this country.

But I will make a prediction. The Sierra will repeat the Cortina's huge commercial success, though for different reasons. People bought Cortinas because they were good value. No doubt the Sierra will be, too, but it will sell because it is refined and sophisticated. A proper car for the rest of the 1980s, in fact.

If Sierra could be called a Frenchman's concept of a Ford, then the BX is a German's idea of a Citroën. It has the best handling of any Citroën I have driven, with none of the low frequency heaving one accepts in the big CX for its superlative ride comfort. Firmer the BX may be, but it still proves, as it floats over potholes and pavé, that while Citroëns have suspensions, other cars make do with springs. The only thing that catches it out is a hump-back bridge. Put over one at speed, the BX, as do all Citroëns with hydro-pneumatic suspension, kicks its heels like a frisky pony.

On the autoroute, the BX runs arrow straight as it passes juggernaut lorries and it feels a typical Citroën (except for its firmness) in all respects. But it doesn't really look like one. The crowd of French shoppers who surrounded it the moment I parked in front of the Nimes Euromarché had to be reassured that it was a Citroën.

They had looked a bit dubious when I explained it had a Peugeot engine and a Talbot five-speed gearbox but brightened when I showed them the fascia. That clinched it. No one else has been brave enough to make a fingertip operated console in the Citroën manner.

It is fine when you get used to it, though I'm not sure about the rev counter—an illuminated worm that moves horizontally under the digital speedometer.

The BX, which has either a 1,360 cc engine (as used in the Peugeot 104 and Renault 14) or a new 1,580 cc, makes use of plastics on a grand scale. The bonnet top and hatchback are mouldings.

One feature it shares with the Sierra is aerodynamic efficiency and low fuel consumption. Both Ford and Citroën claim steady 56 mph figures of more than 50 miles per gallon for certain models.

Prices of the Sierra will be announced at British Motor Show time next month. The BX goes on sale in France later this year but will not be available here until late 1983. It does not replace any existing Citroën model.

Round and round the roses

GARDENING

ARTHUR HELLYER

ROSES HAVE been behaving very erratically recently some producing their main autumn flush of flower well ahead of time, others behind schedule. No doubt the very unevenly distributed rainfall accounts in part for this. My own Sussex garden is rapidly becoming seriously dry with leaves on some trees shrivelling and falling before they have had a chance to produce much autumn colour but so far, with me, roses are standing up to the strain well.

No doubt it was such difficulties as these that accounted for a rather thin Royal National Rose Society Show in London last week but quality was excellent and there was plenty to interest visitors, including a display of the new varieties that have received awards recently after three years' trial in the society's garden at St Albans.

At this late season it is impossible that all these newcomers can do themselves justice but the display does give a good idea of the various directions in which rose breeding is heading at the moment.

When I visited the trial ground in July I was impressed by the number of very promising roses of extremely moderate height, something between 1½ and 2 ft. Some nurserymen are selling these as "patio roses," not an officially recognised name nor one for which any firm description exists though all are cluster-flowered and a few have small rosette flowers in large trusses like some of the old-fashioned ramblers of the Dorothy Perkins, Excelsa era. I cannot see that any of these figure in the current award lists but Korpean, a crimson rose with medium-size rosette flowers is about 2½ ft high and I remember it as quite outstandingly free flowering in the trial ground.

It must have gone on performing well for the judges awarded it the President's International Trophy as the best new seedling rose of the year. One expert, who had observed it growing for some time, described it as an improved Europeana without the mildew and that seems to fit it very well. Korpean is the code name which nearly all new roses are now given before any decision to market them and in part it indicates that it was raised by Kordes in Germany.

Under the currently agreed rules of garden rose nomenclature this code name will always appear on the nurserymen's label even when a garden name has been added, so it really is worth making a note of it now so that you can identify it when it is available for sale in a year or so.

Such delays in getting new roses from the experimental to the marketing stage are almost inevitable with the traditional method of propagating roses by budding in summer outdoors on to root stocks. The whole process can be speeded up enormously by using the micro-culture method of propagation I was describing a few weeks ago and this is precisely what John Mattock is doing with the new miniature rose the firm is distributing, Benson and Hedges Special.

The name seems more suitable for a low-tar cigarette than for a charming little yellow rose, perhaps more of the "patio" than the true miniature size with quite full dome topped flowers very freely produced. I often wonder what gardeners do with the real miniatures only 12 to 15 in high which apparently sell in immense numbers but though I hardly ever see them in gardens, I do see a great value in roses like B and H Special and Anna Ford, another "patio" rose, this one with bright orange flowers and red-veined leaves.

It won the President's International Trophy in 1981, a unique achievement for such a small rose. Such roses must be ideal for small beds and plant containers but I think I would keep them apart from large-flowered roses.

The professional rose growers "rose of the year" is the yellow cluster flowered Mountbatten from Harkness of Hitchin raiser of Anna Ford. It would be difficult to imagine two roses more different in habit, Anna Ford neat and compact, Mountbatten almost a shrub rose, certainly a good 4 ft tall. It reminds me very much of Gardeners Sunday another tall yellow rose from the same breeder which failed to get an award in the trials a few years ago but has proved very satisfactory in many gardens.

Coming back to the 1982 trials it is always interesting to see what has won the Henry Edland Memorial Medal for the most fragrant rose on trial. This went to Paul Shirville, another Harkness introduction, a cluster-flowered variety with very shapely little pink and yellow flowers.

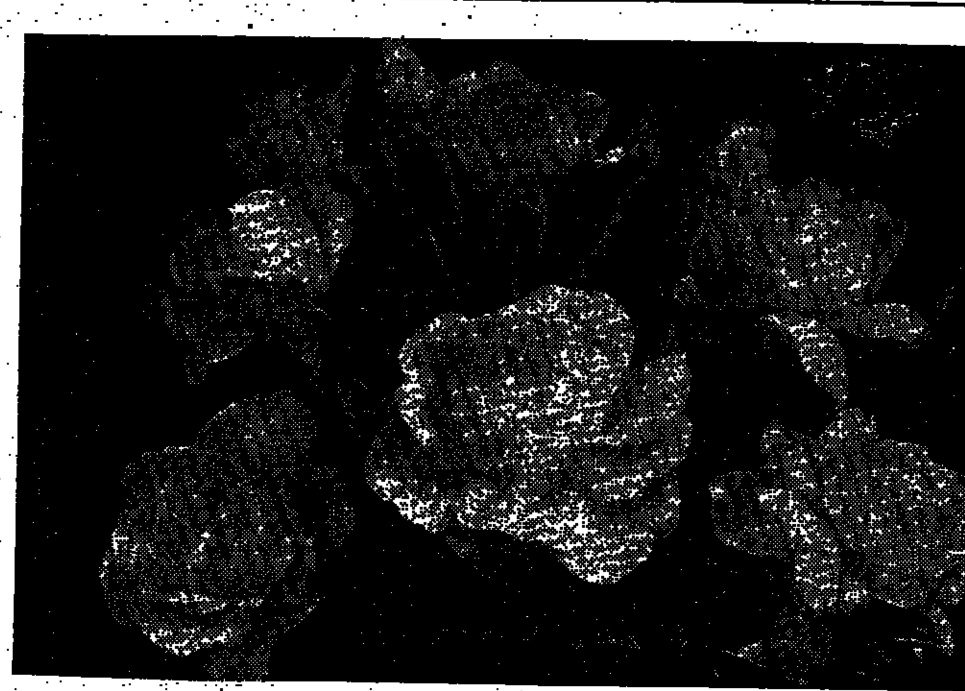
Maybe it was the day (it was hot and dry), maybe it was me (I do not respond to all rose scents) but I could only detect a very modest perfume and that not altogether to my liking. Oddly enough when it got its Trial Ground Certificate last year no comment was made about perfume. But whatever the final verdict on this point there is no doubt at all that this is a very pretty rose.

For scent my choice of the award winners was Keepsake, a big bold cerise rose from Kordes in the old Eden Rose tradition. Some will consider the colour a trifle harsh but I like it in the right setting, which means with plenty of green to tone it down.

Most new roses start as seedlings; a very few occur as colour sports on existing roses, that is, one stem on a bush will produce flowers of a different colour and, if growth buds are taken from this stem and budded on to rose root stocks in the ordinary way, it is likely that they will produce plants with flowers of this new shade.

This is how L'Oreal Trophy arose, a bud sport from Alexander from which it differs only in having clear orange instead of orange-scarlet flowers. It is yet another of the tall, vigorous roses from the Harkness stable, probably too tall for beds in small gardens because of it can reach 5 ft but admirable for hedges or for growing as medium-size shrubs in beds of mixed flowers. It looks well worth its Certificate of Merit in the 1982 awards.

Camphill Glory got its Trial Ground Certificate last year and I am a little surprised that it has not gone any higher this year as it still looks a lovely rose with large, shapely flowers of the hybrid tea type, cream flushed with peach pink. It has slight fragrance, is about 4 ft tall and it is no surprise to find that Elizabeth Harkness was one of its parents for it has similar quality of flower.



Mountbatten rose

BOOKS

Attlee—Britain's most austere Prime Minister

BY MALCOLM RUTHERFORD

Attlee
by Kenneth Harris. Weidenfeld & Nicolson. £14.95, 630 pages

About 30 years after the events is the best time to write political biography. The papers are available, the autobiographies, memoirs and diaries have been studied. Yet it is also possible to have talked to the characters involved. This kind of biography combines the best of history—the scholarship and the objectivity—with the best of journalism—the ability to be close to the subject.

It is unlikely to be hagiography or polemic, for 30 years on there is little point in writing either. At the same time, some readers will have their own memories of the events described and will not be uncritical. Threads can be picked up which are directly relevant to the political scene today.

Kenneth Harris's *Attlee* fits ideally into this mould. It covers an epoch as well as a man. The epoch stretches nearly 50 years almost from the beginning of the Labour Party to the return of the Conservatives in the early 1950s and a bit beyond. It makes the Second World War seem more like an interlude, *albeit an important one*, in British history rather than the event which—as many have seen it and still do—decisively influenced everything since.

It is impossible to read the book without noting similarities between the problems of the 1920s and 1930s and those of the early 1980s: not just the internal politics of the Labour Party, but unemployment, social security and Britain's role in the world. Britain remains all too recognisable as the same country.

Attlee is in many ways an ideal subject, the little man who unexpectedly became Prime Minister after the war. But he is not an easy one. He made no mark at school and, with the possible exception of a half blue for billiards, not much at Oxford. One of his tutors wrote the following reference: "He is a level-headed, industrious, dependable man with no brilliance of style or literary gifts but with excellent sound judgment."

That early verdict could as well have served as his epitaph. Of course, he was lucky: for example, in retaining his seat in Parliament in 1931 when other more illustrious Labour members were being defeated; and therefore becoming a candidate for the leadership. But it was the level-headedness, the industry and, above all, the sound judgment that mattered.

Many people clearly failed to understand him, perhaps including his wife, Vi, who came from the same conservative upper middle class background as himself. In the late 1950s *she told Kenneth Harris in* Attlee's presence: "Clem was never really a socialist, were you, darling? . . . Well, not a rabid one." Attlee grunted. As Mr Harris notes elsewhere, the Attlee grunt was often fatally mistaken for assent.

Aneurin Bevan probably misunderstood him too. Attlee called his autobiography *As It Happened.*" Bevan commented: "It's a good title. Things happened to him. He never did anything."

Attlee's own laconic style was to become famous. Here is the full text of a letter to the left wing Labour MP, Konni Zilliacus:

"My dear Zilly, Thank you for sending me your memorandum which seems to me to be based on an astonishing lack of understanding of the facts. Yours ever, Clem."

Asked what it was like to be 80, he replied: "Better than the alternative."

But there was also a much tougher side, capable of developing an argument and pulling no punches. Here is part of a long letter to Churchill when *Attlee was Deputy Prime Minister* in the wartime coalition:

"When (papers) come before Cabinet it is very exceptional for you to have read them. More and more often you have not even read even the note prepared for your own guidance."

Churchill was thunderstruck and consulted Brendan Bracken who said: "Attlee's quite right." Mrs Churchill agreed; and so did Lord Beaverbrook, once described by Attlee as the "only evil man I ever met."

There were some equally sharp exchanges with President Truman when Attlee was Premier. And indeed, it is on foreign policy that this book is most illuminating. Previous credit for the foreign policy successes of the Attlee Administration has tended to go to Ernest Bevin at the Foreign Office. What comes out here was how closely Attlee was involved, partly, no doubt, because Bevin was one of the few politicians with whom he had any intimacy.

There is a marvellous chapter on India which can be read as a self-contained essay. It leaves no doubt that Attlee himself was responsible for pressing ahead with independence. He was the Labour Party's acknowleged expert on the subject, going back to the days of opposition in the 1930s, and he knew all the people, including Mountbatten. He acted, while others hung back.

The record has its blemishes, to be sure. Mr Harris does not conceal them. Policy on Palestine was a devastating failure. The decision to acquire nuclear weapons was questionable, the more so in that it established the tradition of secrecy prevailing to this day. In extenuation it should be said, however, that Britain then had much more reason for believing that it was a great power: it could not escape a great power's problems.

One other aspect of the Attlee Administration receives perhaps belated attention: his approach to the machinery of government. He had written a memo on the subject as early as 1932 and in office he practised what he preached. "The Cabinet does not propose: it decides," he wrote as Prime Minister, and years later: "It is essential for Cabinet to move on, leaving in its wake a trail of clear, crisp, *uncompromising decisions. That* is what government is about. And the challenge to democracy is how to get it done quickly."

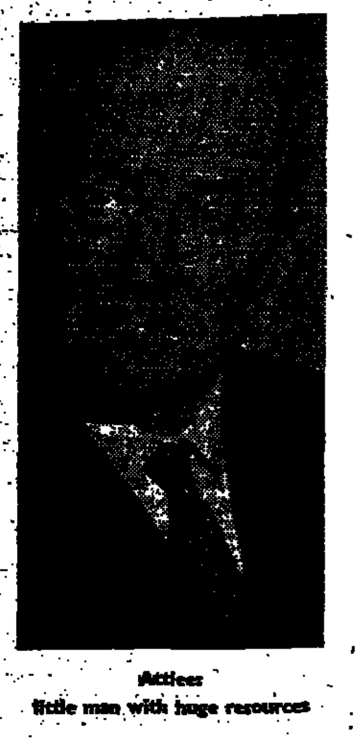
Mrs Thatcher would have liked him for that, and civil servants remembered him as the most efficient of post-war Prime Ministers.

What were his achievements, apart from India and the welfare state? Attlee himself believed that it was to get his party into power, first in coalition, to bring it out intact, and then to win an election when most people expected defeat. For the first time Labour was established as a plausible party of government, and that was no mean feat.

He had perhaps one advantage, later picked up by Harold Macmillan. As Attlee said in a 1945 election broadcast:

"The Conservative Party remains as always a class party. In 20 years in the House of Commons I cannot recall more than half a dozen from the ranks of the wage earners . . . The Labour Party is, in fact, the one party which most nearly reflects in its representation and composition all the main streams which flow into the great river of our national life."

Who has that mantle today?



Attlee: little man with huge resources

Alas, poor Yorick

BY ANTHONY CURTIS

P. G. Wodehouse
by Frances Donaldson, Weidenfeld and Nicolson, £10.95. 399 pages

Last year's Wodehouse centenary—the old boy was dismissed a few runs short of his 100—produced a goodish crop of lives, studies, tributes, verbal bouquets, exhibition catalogues. What it lacked was the appearance of Frances Donaldson's biography of the Master, which has the blessing of the Wodehouse Estate.

The question, as Bertie Wooster might say, is, "Has Lady D. been scooped as well as pipped at the post?"

The answer, as Jeeves might have put it, is "No, not entirely, sir."

"Expand on that, Jeeves."

"Her ladyship has had sight of unpublished material not vouchsafed to earlier biographers and has made excellent use of it sir."

There is no one like Jeeves to cause a fellow to prick up his ears from the depths of his pillow when he has a tale to unfold. He knocks the late King of Denmark on his nightly constitutional round the battlements *into a cocked hat . . . etc. etc.*

In one particular Lady Donaldson was scooped; that was by Iain Sproat in a slim volume entitled *Wodehouse at War*, in which he returned to the vexed question of the five broadcasts Wodehouse made on Berlin radio in 1941.

At the end of the war Mr and Mrs P. G. Wodehouse were staying in the Hotel Bristol in Paris. The first Allied official to see them was a British major who turned out to be Malcolm Muggeridge. He behaved with exemplary kindness and consideration, with the unenviable task of breaking the news of the death of Leonora, Wodehouse's beloved step-daughter. When it came to the hoo-ha over the broadcasts he arranged that Wodehouse should go through the whole business with someone from British Military Intelligence. This official, who then questioned Wodehouse about the circumstances of the broadcasts for ten days, was Major Edward Cussen (later His Honour Judge Cussen). He produced a confidential report on the strength of which the *DPP decided there was not* sufficient evidence to justify a prosecution.

The Cussen Report (as it came to be known to Wodehouse biographers) remained locked up in the Home Office *for nearly 40 years. It was not* available for inspection by anyone, however *bona fide* a scholar of Wodehouse. In 1980 Iain Sproat with the persistence of a good constituency MP succeeded in prizing open the file and bringing it into the light of day. He came to the conclusion that Wodehouse had certainly not done anything criminal (surely everyone was agreed about that) and that he hadn't even done anything culpable.

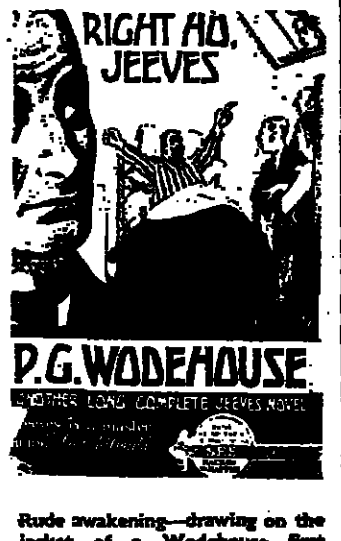
Lady Donaldson has also studied the Cussen report but in addition she has seen a day-to-day diary which Wodehouse kept during his internment which is now published in her book for the first time and shows Wodehouse's uncommon stoicism and cheerfulness under duress. The author has also taken into account statements by Werner Plack, the German official in the foreign service (a former inhabitant of Hollywood) who arranged the broadcasts, and she has seen all the letters and statements of Wodehouse relevant to the affair. After her thorough and scrupulously fair examination she too exonerates Wodehouse of any criminal act. On the question of culpability she does not give him quite such a clean slate as Mr Sproat, regarding Wodehouse as having behaved with almost unbelievable foolishness.

Lady Donaldson tells the story not only from Wodehouse's viewpoint but also from the side of the British Government and the then Minister of Information, Duff Cooper, and the smearing attack on Wodehouse instigated by him and carried out by the Mirror journalist William Connor "Cassandra," (one of the nastiest pieces of smearing in the history of broadcasting). She also reveals the amazing fact that after the war Wodehouse had lunch with Connor, made his peace with him and thereafter regarded him as a friend, even asking Evelyn Waugh to tone down the references to Connor in a talk he gave about Wodehouse on the air.

A further advantage which Lady Donaldson has over previous biographers in writing the life of this complex man is her friendship with Leonora, who was such a great confidante of her step-father's. We get close to Wodehouse within the family circle. He loved Leonora but he was an intensely shy person who avoided company when he could. On the other hand, Wodehouse liked to collaborate on literary and theatrical projects, particularly with Guy Bolton and William Townend, who make many appearances *throughout this biography.* As the daughter of Frederick Lonsdale, Lady Donaldson is rightly aware of the master's long association with the theatre both as lyric-writer and dramatist. He was working on plays and adaptations as late as 1950. The author has a light easy style in spite of her thoroughness with the documents. She paints *a happy picture of Wodehouse* as she once saw him with her father in the theatrical ambience of pre-war Birchington.

"Not a work demanding a wet-towel around the brow then Jeeves?"

"Decidedly not, sir."



Rude awakening—drawing on the jacket of a Wodehouse first edition in 1934

Women beware women

BY ADAM MARS-JONES

Stories up to a Point
by Bette Pesetsky. The Bodley Head, £5.95. 114 pages

Learning to Swim
by Graham Swift. London Magazine Editions, £7.95. 146 pages

Maiden Rites
by Sonia Pilcer. Weidenfeld and Nicolson, £7.95. 282 pages

The Knight on the Bridge
by William Watson. Chatto and Windus, £7.95. 203 pages

Light a Penny Candle
by Maeve Binchy. Century, £8.95. 540 pages

If the title *Stories up to a Point* suggests something fragmentary and unsatisfying, then it should be changed; even the shortest of Bette Pesetsky's stories has a satisfying contour. Her heroines are serial polygamists, women whose several marriages have left them with nothing as substantial as rancour. Their lovers tend to have christian names that sound like surnames (Milton, Cooper, Champieon); and although they *have children, maternity has* touched them no more deeply than matrimony.

Nevertheless these women, though they are far from being in control of their own lives, have an odd, uninflected authority. As one of them says: "In the suburbs, no one knows anything. In the city, everyone knows everything—and while I was here, I knew too." Another, whose hobby is walking, is offered $50 a week for life by a neighbour if she promises to keep quiet about the car that parks in her drive every afternoon. She takes the money.

The stories are kept in control by a wide range of devices; one, "Ulcer," takes the form of a patient's answers to a questionnaire. In another, a woman uncovers her family's history (including accidents and adulteries) when she goes through her grandfather's dust collection. A third woman draws graphs to represent the emotional crises of her friends ("I make a nomograph for the Musser divorce . . .").

By and large, the stories that work best are the least conventional; only one story, "Scratch," is let down by a pat ending.

The stories in Graham Swift's *Learning to Swim* are no less accomplished; this week's short-story collections put this week's novels to shame with their energetic variety. Mr Swift's themes are guilt and loss and dependence and destructiveness; his stories revolve around a series of dour propositions about human behaviour. Humiliation is how you win love. People would rather pretend they are trapped than admit they are free. Men go round in circles, *women don't move.*

The potential claustrophobia of this subject-matter is kept at bay by a scrupulous variety of character and setting, and in the best of the stories, by a controlled element of fantasy. It hardly matters whether the fantasy is threatening or reassuring, whether the genre into which the story modulates is Gothic or fairytale; but a little unpredictability can reconcile the reader to a great deal of hard truth about human limitation.

Sonia Pilcer's *Maiden Rites* gets off to an excellent start, but has nowhere to go. Her heroine, Hannah Wolf, wants a life of emotional intensity, cappucino and foreign films, but is saddled with a shamefully dull background in a New York suburb, Flushing, which she is embarrassed even to name. The book starts off brusque and indignant, until it turns out that life is not so bad for an attractive teenager in the 1960s, even if *her boyfriend is neurotic in the* Woody Allen mode, in advance of present fashion. The tone inevitably modulates to bittersweet, and the novel ends by justifying its subtitle, "A Romance." It is nevertheless sharp and amusing throughout, though the author could take more care with period detail; it is as serious a mistake, in a novel of 1960s adolescence, to get the date of a Rolling Stones' song wrong by two years, as it would be to have Queen Anne doing the Charleston.

William Watson's *The Knight on the Bridge* deals unashamedly in anachronism; archaic words ("swithering," "biried," "forbye," "fossick") rub shoulders with modern phrases ("like a ton of bricks," "greased lightning"). The effect, especially when a character remarks, "It's a money economy we live in now," is closer to Monty Python than the *Morte D'Arthur.*

No such mistakes are made by Maeve Binchy's massive *Light a Penny Candle*, a fluent, well-researched family saga tracing a childhood friendship between an English evacuee and the Irish family who take her in. At 540 hefty pages, it is a great deal easier to read than to carry around.

CHESS

LEONARD BARDEN

EARLY ROUNDS of the third world championship interzonal, now in its closing stages at Moscow, produced yet another surprise contender to follow the 61-year-old Smyslov and the little-known Filipino Torre who qualified from the two previous events. After six of the 13 rounds Garcia of Cuba led.

Later, at the start of today's final round, the favourite Gary Kasparov of the USSR has 9 points out of 12 and is sure of both first prize and a place among next year's world title candidates. Kasparov is a true follower of Alekhine who likes to build up an attack as fast as possible from a mobile centre, as in this brilliancy from the third round.

WHITE: G. Kasparov (USSR)
BLACK: Y. Murey (Israel)
QUEEN'S Indian Defence
(Moscow interzonal 1982)

1 P-Q4,N-KB3; 2 P-QB4,P-K3; 3 N-KB3,P-QN3; 4 N-B3,B-N2; 5 P-QR3,P-Q4; 6 PxP,NxP; 7 Q-B2.

Yet another hopeful takes on Kasparov in this, his favourite opening system where he has already scored many wins. It seems to have some fatal fascination for opponents. Here Kasparov improves on the 7 P-K3 which he preferred in earlier games.

7...P-QB4; 8 P-K4,NxN; 9 PxN,N-B3; 10 BN2,R-QB1; 11 R-Q1,PxP.

Black hopes to exploit the *vis a vis* of rook and queen on the open file, but the pawn exchange simply frees the diagonal for White's bishop.

12 PxP,P-QR3 (if NxP? 13 Q-R4 ch or N-N5? 13 B-N5 ch); 13 Q-Q2,N-R4; 14 P-Q5!

This thematic advance favours White's dynamically developed pieces.

14...PxP; 15 PxP,B-Q3.

If 15 . . . Q-K2 ch; 16 B-K2, N-B5; 17 P-Q6! NxQP; 18 O-O with a winning attack, but as played the black king's pawn defences are left in tatters.

16 BxNP, Q-K2 ch; 17 B-K2, R-KN1; 18 Q-R6, P-B4; 19 B-B6, Q-B1; 20 QxP, Q-B2; 21 QxP, R-N3; 22 Q-K4 ch, K-B1; 23 N-N5, RxN; 24 BxR, R-K1; 25 B-R6 ch, K-N1; 26 Q-N4 ch, Resigns. If K-R2; 27 R-Q3! and Black is soon mated.

Full details of this energetic win were conspicuously absent from the pages of the Soviet sports daily which has otherwise given the interzonal prominent coverage. The reason: Yacob Murey, the loser, was formerly a well-known Moscow expert before he emigrated *to Israel to further his chess* career. While in Russia he was a minor master with no international title; since departing he has become a strong IM who was runner-up in the West European zonal.

Added to this story of prodigal made good, Murey committed the cardinal sin in the eyes of Soviet officials of joining Korchnoi's team for the 1977-78 series against Karpov. Thus his results in the interzonal are reported deadpan, with no comments win or lose.

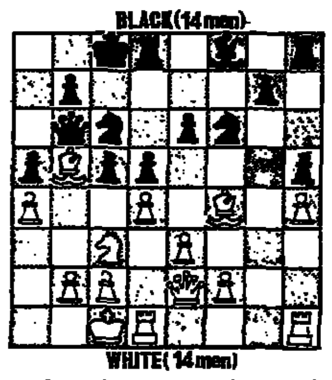
The trouble with USSR censorship is that occasionally *a slip shows, either* through ignorance, inefficiency in the censor office, or perhaps a chess-playing mole at the newspaper. Igor Ivanov who defeated Karpov in a team match, then hopped off a plane at Gander, became a Canadian citizen and national champion and also qualified for the current interzonals. His name was and is clearly on the Moscow black list as he is one of two expatriates omitted in Soviet reprints of the official FIDE world ranking list.

But when Ivanov started play in the recent Mexico interzonal *Sovietsky Sport* gave his name (for the first time since 1979) and results normally, even when he outpaced all the official USSR nominees. Then, two rounds from the end, there appears to have been a panic in the censor's office, Ivanov's name disappeared, and instead of detailed reports there was no complete list of finishing scores.

However, the attentive chess reader—and there *are* many such in the Soviet Union—could easily have worked out the tournament pairings and drawn appropriate conclusions from a remark that Boris Spassky failed to qualify because he was unable to win his "hardest match" in the final round. It was against Ivanov.

Position No. 442

BLACK (14 men)

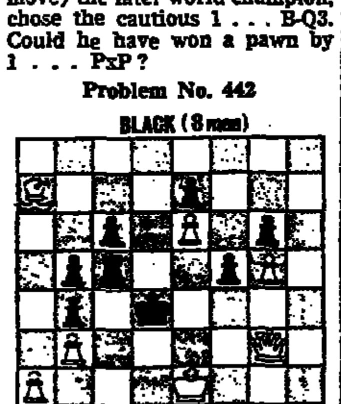


WHITE (14 men)

Nimzovich v. Alekhine, Vilnius 1912. Alekhine (Black, to move) the later world champion, chose the cautious 1 . . . B-Q3. Could he have won a pawn by 1 . . . PxP?

Problem No. 442

BLACK (8 men)



WHITE (8 men)

White mates in three moves at latest, against any defence (by R. F. Fegen).

Solutions, Page 12

Merger war

BY BRIAN AGER

War Without Frontiers
by Andrew Osmond and Douglas Hurd. Hodder and Stoughton, £8.95. 598 pages

The pairing which brought you *Send Him Victorious* in 1968, *The Smile on the Face of the Tiger* in 1969 and *Scotch on the Rocks* a year later is really back in business. Each is a novelist in his own right and between them they muster first-hand knowledge of all the strands to weave into a political *thriller.*

The "war" in the title is the one being waged for control of industry—a war which can be seen as a matter of business and politics but can so easily break out into real violence.

A former British Prime Minister is trying to push through the European Commission the merger of two giant motor companies—one Italian, the other British. Both are short of cash and both are threatened by workers' revolts.

Such plans do not suit an extreme Left-wing organisation which wants the workers to seize the car companies and by example start the collapse of capitalism in Britain and Italy. Sabotage, kidnapping and murder are included in their plans to destroy the system they hate.

The violence and the pace increase as the group, including a Soviet-programmed killing machine battle march to stop the merger. Much of the most exciting action is set in France with the might of the police system trying to track down the kidnap gang. The forces of right (or rather the Right) are led by a pipe-smoking Commissaire, who is handicapped by having to discover the identities of the clandestine Leftists before he can hope to catch them.

Helping with the hunt, because he has seen some of the group's members, is a British journalist, who has drunk himself out of a job and is anxious to get the story to re-establish himself. One day someone will write about a teetotal, happily married journalist (many do exist).

Such minor points fail to mar a stylish, realistic novel. Welcome back to a winning team.

BRIDGE

E. P. C. COTTER

I ENJOYED reading *Master Pairs Technique* (Robert Hale, £6.95) by J. W. Tait, and I recommend it to my readers. You do not have to be a duplicate player to benefit from this instructive book. Take the South cards, and plan the play of this slam hand:

N
♠ J 7 5 2
♡ A Q 5
◇ Q 3
♣ K Q 10 4

W
♠ Q 10 8
♡ 10 8
◇ J 10 9 4
♣ 9 7 6 2

E
♠ 9
♡ J 9 7 4 3 2
◇ K 8 7 2
♣ 8 3

S
♠ A K 6 4 3
♡ K 6
◇ A 6 5
♣ A J 5

With both sides vulnerable, South deals and bids one spade, North replies with two clubs, and South rebids three diamonds. North now says three spades—there is no need to bid more at this stage—and South shows his fit with his partner's suit by a bid of four clubs. North says four hearts, to show the Ace and express willingness to go further, and South jumps to six spades.

West led the diamond Knave, you cover with dummy's Queen, East produces the King, and you win with the Ace. You cash Ace, King of spades, but East discards a low heart on the second round. How do you propose to dispose of your diamond *losers?*

Your only hope is to discard them before West ruffs. It seems natural to start by cashing hearts, because that is the short suit. Unfortunately, West ruffs the third heart and cashes *the ten of diamonds to defeat* your contract.

You should realise that, as West must hold at least three clubs for your contract to succeed, it cannot do any harm to play that suit first. If clubs divide 3-3, you switch to hearts, and if they, too, break 3-3, you play the fourth club. But as the cards lie, West holds four clubs, so you can without danger play a fourth round and discard one diamond. You then discard your other loser on the third heart, West ruffs, but it is too late to hurt you.

By playing the suits in the logical order, you receive the reward of an added chance.

We turn to defence, and put *you in the East seat:*

N
♠ Q 6
♡ K 8 5 4
◇ 10 5
♣ A Q J 10 9

W
♠ 9 7 2
♡ Q 10 9 7 3
◇ 8 7 3
♣ 8 2

E
♠ A 3
♡ J 2
◇ A K Q J 6
♣ 7 6 5 3

S
♠ K J 10 8 5 4
♡ A 6
◇ 9 4 2
♣ K 4

With East-West vulnerable, South deals and bids one spade, North says two clubs, and you compete with two diamonds. After two passes, North says three diamonds, asking for further information, South says three spades, and North raises to four.

West leads the diamond eight, and you win with the Knave. What do you suggest now? Your partner cannot have much in the way of defensive values, but there is one gleam of hope. The lead of the diamond eight places the declarer with at least three diamonds. That is his weak spot —can you take advantage of it? If your partner holds ten, nine, and another spade, you may be able to effect a trump promotion by playing three rounds of diamonds and forcing dummy to ruff. Then when you take your spade Ace, you lead *another diamond*, and West's ten will be promoted. This defence is reasonable, but it will not work on this occasion.

There is a better line of defence. You cannot, obviously, play Ace and another spade, but *at trick two try* leading your three of spades. That leaves the declarer helpless. He cannot play a second round of trumps, for that would allow you to cash two more tricks in diamonds; if he tries to get rid of his diamonds on dummy's clubs, your partner will ruff the third round, and the defence still have another diamond and the Ace of trumps to take.

Imperial preference

BY ALAN PRYCE-JONES

The Emperor and the Actress
by Joan Haslip. Weidenfeld and Nicolson. £9.95. 284 pages

Miss Joan Haslip is a gifted biographer. She has an eye: for the picturesque, the romantic, the dramatic. She has written equally well about Catherine the Great and the Emperor Maximilian of Mexico, among others. She can fill an historical canvas or peek into the boudoir with equal skill.

Her latest theme, subtitled "The Love Story of Emperor Franz Josef and Katharina Schratt" must have looked, at first sight, just as propitious. The Emperor was a married man in his fifties when first he met Katharina Schratt, a married woman of 31, who was already a celebrated comedy actress at the Vienna Burgtheater. She had returned to a more-than-promising career, briefly abandoned to please her husband. The husband was a minor Hungarian aristocrat, a gambler and an incompetent. The bailiffs were in and the Schratt parents had lost their personal fortune in a stock exchange crash. Something had to be done.

Respectability, Miss Haslip asserts, "became almost an obsession with her." The hat *was sent round. Her debts* were paid, with the help of a Jewish banker and his friends. Her career was relaunched, and if respectability stumbled it did not totter.

The Emperor, meanwhile, had passed through difficult times with his beautiful, unbalanced Empress. Their court, from which the Empress was usually absent, was known as the stiffest in Europe. What could be more alluring to him than a woman 20 years his junior, *pretty, unaffected, welcoming* and, into the bargain, obsessed by respectability?

What Mrs Patrick Campbell later called "the hurly-burly of the chaise-longue" was for neither. In Ischl they could meet in the mountains over the local equivalent of a cup of tea; in Vienna they could share a morning stroll. Very soon the Empress found that it suited her perfectly to see Franz Josef enthralled by a sparkling young woman who could take a *dull husband off her hands*, yet wanted nothing in return.

But did she want nothing? Katharina was extravagant and a gambler like her husband. The Emperor, who was very rich, paid her debts with pleasure. He loaded her with jewels, he gave her expensive real estate, he protested that he shared her love of respectability, so that neither might compromise the other. And for nearly 20 years a calm romance moved towards old age at the *tempo of an understanding* between an elderly butler and a neat under-housemaid.

Then things took a turn for the worse. The Emperor, the "poor old Emperor," as Miss Haslip repeatedly calls him, was a man of exceptional tedium. He was not only respectable but respectful—a grave fault in a lover. Katharina Schratt may have possessed more clout with him than she chose to use, but she was also wilful and flirtatious: an irritating partner, one would think, in a costly but platonic love-affair. And there *is no clear evidence* that their romance was ever more than that.

Dreadful things happened round them. There was the suicide of the Archduke at Mayerling, there was the murder of the Empress in Geneva; there were the usual royal fusses over syphilis and drink. But a large cast of characters round actress and Emperor remain for the most part incurably dull. The Emperor's letters are dull: the actress's re*plies are dull.* Somehow the pair of them fit more easily into the contemporary world of Mr Pooter than into the go and glamour which we try to associate with the Vienna of Johann Strauss.

After the Emperor's death in 1916 Katharina, who lived until 1940, slowly petered out, kind but querulous, lonely, but with surprisingly little to remember. Miss Haslip's well-textured book is her happiest memorial.

HOW TO SPEND IT

by Lucia van der Post

Irish ways with tweed

PAUL COSTELLOE has in England been chiefly known for his very individual collection of women's clothing. Most of his designs are based on soft, heathery colours, on pure wools and tweeds, or, in summer, fine cottons and linens. His approach has been at once very British (he himself is Irish, has a shop in Dublin, but he uses tweeds and wools from Ireland, Scotland and Yorkshire) and very East Coast American. Long-legged, lean blonde Americans, I always think, must be the customer he has in mind.

He has always been a big success in America, particularly in Bloomingdale's the fashionable New York store, and so he did a menswear collection specially for Bloomingdale's. It was such a winner that he is now going to develop his menswear side as strongly as the women's.

His first autumn and winter collection is now on sale and as you can see from the photograph below, the look is very relaxed and casual and at the same time it exudes an air of quality.

Shown in the photograph is a Norfolk jacket with leather trim made entirely from 100 per cent wool. In sizes ranging from 38 inches to 46 inches, regular or long fittings, it is £140. Worn with it are some baggy style corduroy trousers with leather trimmed pockets—in a variety of soft colours chosen to tone with the tweeds and the sweaters, they come in sizes from 28 inches to 38 inches waist and cost £35. The collarless shirt is made from 55 per cent wool and 45 per cent cotton, it comes in neck sizes 14 to 16 inches and costs £35. Worn with it, is a pure wool plaid scarf, £20.

For the moment, the chief stockists of the menswear range are selected Austin Reed branches (including Regent Street W1, Princes Street, Edinburgh) and Harvey Nichols of Knightsbridge (the menswear department).

Photographed above is the Costelloe look for women for the coming winter. Soft jackets, full skirts and a wide range of blouses, all working together and toning in without matching exactly are the hallmarks of the collection.

Paul Costelloe particularly likes his customers to choose jackets which are not identical matches with his skirts—many of the tweeds he uses can work together in this way and the overall effect is much softer and more individual than the more conventional identically matching approach.

Photographed above is a plaid skirt with side buttoning and trimmed with leather—in a green and mustard pure wool plaid it is £82. The short hunting jacket is also trimmed with leather and comes in a toning soft tweed, £114. Finally, the check blouse with a front bib is made from 100 per cent silk taffeta and comes in either a burgundy and green check or a mustard and blue check, £79. Besides Harvey Nichols, Paul Costelloe's womenswear range is also stocked by Options at selected Austin Reed branches (including Brent Cross, Guildford, Regent Street, W1) Sparrow of Farnham, Surrey, Popingay of Chichester and Moons of Glasgow.

New waves in the kitchen sink

EXCITING things are happening to kitchen sinks these days. Though it must be one of the most mundane and everyday of household objects (can there be a single home without one?) for years nobody in the design world seemed to pay it much attention. A few years ago the ripples of a new wave of sinks began to appear, needless to say, from the continent, in particular from Switzerland and West Germany, when they began offering curved ones, coloured ones, as well as lots of optional extras like chopping boards and drainers and quite sophisticated wire baskets—all a far cry from the floppy plastic bowl sitting in a deep ceramic bowl or an aluminium sink.

A recent exciting new development, however, is an entirely British affair—a liaison between one of our leading chemical companies, ICI and a manufacturer, Fordham Plastics, of acrylic baths and panels. ICI has for some years been developing a new material which is basically an acrylic resin filled with fine silica. ICI calls it Asterite but to complicate the matter it appears elsewhere under other names and Fordham Plastics calls it Sylac. Its chief claim to fame is that it has much of the aesthetic charm of ceramics but because it can be moulded it can be used to make much more dramatic shapes than would be possible in any ceramic. The matt finish is both attractive to look at and to feel. It is also scratch, stain and heat resistant.

Fordham Plastics of Wolverhampton was so excited by the possibilities the material offered that it asked a firm of leading industrial designers to come up with products that would exploit the qualities to the full. The result is what Fordham calls its Sirocco Kitchen Work Centre.

Market research revealed that sinks were no longer just for washing-up—in most people used them as the centre of all the kitchen work and so Fordham Plastics decided to launch a range of units together.

The four basic modules consist of a bowl plus another half bowl and drainer (as you can see in the picture), or a single bowl, a half bowl with drainer or as single drainer. All the models are designed to fit standard worktops 25-40 mm thick. To go with the four units there is a range of PVC wire baskets as well as an ash chopping board. There are three different types of basket—one for the main bowl, one for the half bowl and a reversible plate rack/salad drainer that can be used on a drainer or in a bowl. The chopping board is reversible.

Fordham Plastics is offering the sinks and bowls in four colours—ivory, mocha, green red, while the wire baskets are all white.

Anybody interested in seeing just what this new material looks like (and I like it very much, it has a nice matt-like quality and makes an attractive alternative to stainless steel and aluminium ones) will find it currently in builders' merchants and kitchen specialist shops.

Prices for the unit pictured above are about £130, single units (like the single bowl or the half bowl with drainer) are about £59 each, wire baskets are about £30 each, the ashwood chopping board is £17 and the taps work out at about £44 a pair.

Time on your hands

TIMEX does a splendid job at the cheaper end of the market—prices start as low as £6.95 and don't go higher than £45.95 and you can buy a very decent looking watch for around £20. It is never slow off the mark at spotting the new fashion trends and anybody who hankers after the glamorous international jet set sort of watch but can't afford one will find that Timex usually carries something not too dissimilar in its range. Whether you are searching for the rather strong and sporty look or a plain classic face, Timex will have something to offer. Most people will recognise immediately the current fashion trend in the two watches photographed above—the difference lies in the price tag. These have matching bracelets studded with gilt screws, a quartz analogue movement and cost £33 for "hers" and £37 for "his."

A WATCH tells you as much about a man (or woman) as his car. Mr Giordani at Antiquarius in London's Kings Road, who specialises in selling antique watches, has learned that there are several distinct types who come into his shop—Rolls-Royce drivers he finds seem to go for Patek Phillipe, Jaguar drivers choose Rolex, Porsche drivers don't have to think too far—they can just opt for Porsche. Where that leaves Mr Ford Cortina, I'm not too sure.

For those who are interested in what else you are telling the world by the watch you wear I am reliably informed by the new Harpers and Queen Official Sloane Ranger Handbook that Sloane Rangers (when they've grown out of the "ugly wristwatch from Fenwick's" and have not yet acquired an Old Etonian boyfriend to give them a genuine Cartier tank-watch) are most likely to be found wearing a knock-off Cartier tank-watch—"they haven't got around to Gucci yet."

"Mayfair Meres will be wearing either the Flipper (from Eximious, featured on this page on June 26) or the Cartier Santos and as for "Henry in the City" (a guide to whose taste the Harpers and Queen book also is)—"The ideal watch is old, plain and gold, passed on. A Cartier would have to be old, and Rolex is very City New. Battered boys' watches are acceptable if not too pop-y. Lucky Rangers produce gold hunters or half-hunters from their pockets."

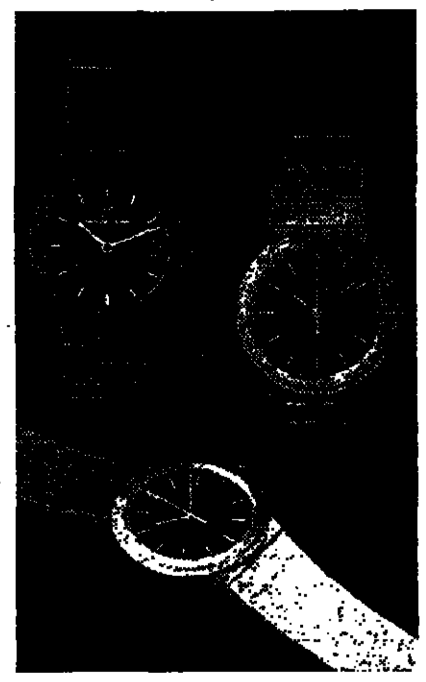
As for the English Gentleman, Douglas Sutherland, the authority on the matter, whose book on the subject is published by Debrett's Peerage, he is "particular about having a good watch and takes great pride in its time-keeping qualities." He will have nothing to do with what Douglas Sutherland calls the Cartier set—"gold lighters, gold cigarette cases, watches with crocodile straps and so on are put down as bookmakers or confidence tricksters."

If you look at the wrists of most designers or people on the fringe of the design world you will note that if rich enough they tend to buy a Rolex or a Porsche and if they aren't (or don't care enough to pay that sort of money) they will probably be wearing the plainest of plain Timexs or else a Snoopy number from a children's shop.

For those who are interested in the current state of the fashion trends it is worth noting that there seems a concerted move away from intricate watches with myriad buttons, which do everything but play a sonata and whose time-keeping function is rather low on the list of desirable properties. Lately, there has been a distinct move away from the clever-clever gadgetry back to simpler, more classic designs. Switzerland can start counting its francs again.

You can tell the really good designs, the ones that last and last, by the number of writs their companies are issuing. Cartier is said to keep teams of lawyers living permanently on the fat of the land as they fight to keep the streams of imitations at bay. Certainly on a recent visit to Milan almost every fashionably dressed girl was sporting either the genuine Cartier Santos watch or remarkably look-alike copies. The famous matt-black Porsche watch is now to be found copied, at infinitely lower prices, in department stores from San Francisco to Tokyo. The classic Rolex oyster has as many look-alikes as Rita Hayworth in her heyday and the only consolation for the originators is that such is the price of genuine innovation and genuine quality.

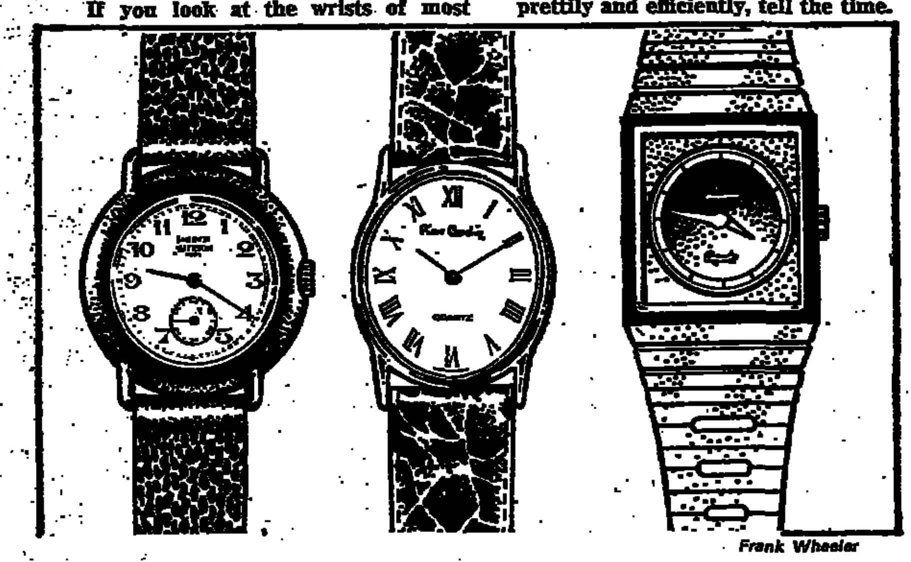
If any of you are looking for a new timepiece of a sort here is a selection from the watches currently on sale. They all, as you can see, look remarkably like what they are—they don't pretend to be television sets, or alarm clocks, or mini-computers, they just, prettily and efficiently, tell the time.



PORSCHE is one of the great classic names in modern design and though it has lost some of its rarity-value now that you can actually buy a Porsche watch over the counter (in the really exclusive days you had to buy a Porsche car to get given a watch) the designs are still, to my mind, the best modern ones around. For women, there is a stunning, rather sporty-looking quartz watch made from a light alloy which comes in olive, black, sable or grey polished finishes. For men there is an even greater selection—ranging from the now-famous compass watch to the chronograph which has day/date indicator, seconds, minutes and hours counter for measuring time and speed (a tachymeter).

Latest designs from the Porsche stable is the SL range photographed above. The styles are available for both men and women—the only difference being the size. In the photograph is the men's selection. Their chief claim to fame is that they are the world's lightest watches. The man's watch weighs under an ounce and three-quarters (48.735 grammes to be exact) and the women's size weighs 39.831 grammes. Both bracelet and watch are all metal. They are waterproof down to 50 metres and the face is scratch-proof sapphire crystal. In black aluminium and olive, titanium, aluminium and gold plate or solid 18 carat gold, prices start at £414 for the black aluminium and olive ladies' watch.

They are going into jewellery departments and leading stores now—if in difficulty Harrods of Knightsbridge is selling them and so are all Porsche car dealers.



Frank Wheeler

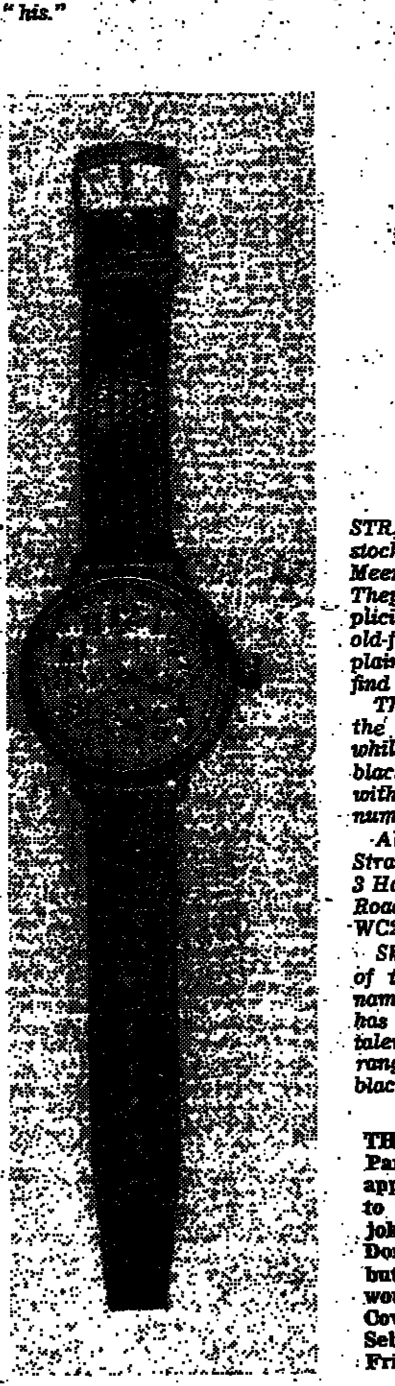
STRANGEWAYS shops now stock a collection of Emerich Meerson watches from Paris. They have a refreshing simplicity of face coupled with an old-fashioned sturdiness and plain Arabic numbers which I find very appealing.

There are several versions of the watch—gold-plated is £70 while sketched above left is the black enamel-rimmed version with white face and black numerals at £67.

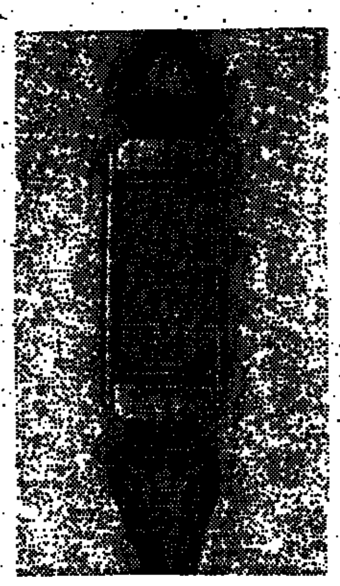
All are stocked by the three Strangeways shops in London—3 Holland Street, W8; 502 Kings Road, SW10 and 19 The Market, WC2.

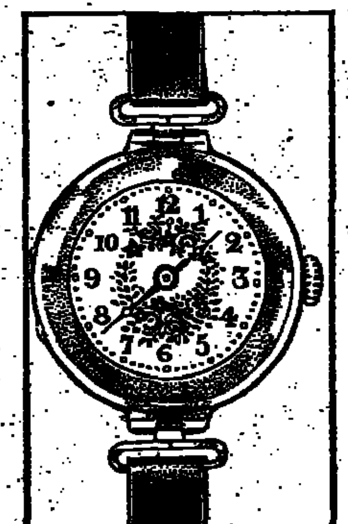
Sketched in the middle is one of the growing range of "big name" watches. Pierre Cardin has lent his name and design talents to a collection that ranges from a classic round, black-faced, gold-rimmed watch to a selection of the very fashionable, studded bracelet watches. Made in Switzerland with quartz movements for accuracy, the version sketched above comes from the range called Classic 1 (it is easy to see why). The face is a simple oval, with a gold-plated rim, white background and black Roman numerals. It is about £160 and for your nearest stockist contact Studio Anne Carlton, Flinton Street, Hull (0482 27019).

Sketched above right is a watch for those who like a more "pop" look. A Hanowa quartz watch made in Switzerland, the plastic strap comes in white, red and navy. £19.75 from the fashion jewellery department in Harrods, Knightsbridge, SW1.



THE Biggest Watch in the World is how Loncraine, Broxton & Partners describe their latest offering, left—it is, as is not apparent from the photograph, 4 ft 6 ins high and is meant to be hung on the wall. At about £14 it is the kind of visual joke that Loncraine Broxton have earned quite a name for. Don't expect it to last a lifetime—it has a quartz mechanism but the strap and casing are laminated board. Most children would love it. Available in London from Knutz, Russell Street, Covent Garden, WC2; Harrods, of Knightsbridge, SW1 and Selfridges of Oxford Street, W1. Out of London, find it at Friars Gallery in Canterbury, Here and Now of Brighton.





Clare Brooks

Antique watch collecting is becoming quite a cult these days. It all apparently started about six or seven years ago when people began turning out their attics and realising that old watches, far from being the obsolete objects their owners had hitherto thought them to be, were actually becoming highly sought-after. Since then antique watch collecting has been officially acknowledged, so to speak, by the auction houses which regularly hold sales and the inevitable result is that prices have risen considerably.

Giordani at Antiquarius, 135, Kings Road, London, S.W.3, specialises in objects of the 1930s period and has a large collection of antique watches always in stock. He finds that tastes go in phases and that the current craze is for very complicated watches (for instance ones which give not just the day and the date but also the month and the phase of the moon). Classic old watches by the great names like Rolex, Jaeger Le Coultre, Cartier and Longines just go on and on being popular and apart from anything else never seem to go wrong.

Prices range up to as much as £12,000 for a really rare model but a classic oyster Rolex dating from the 1930s can be had for about £1,000.

Two of Mr Giordani's currently most interesting watches are photographed here above left and right. On the left is a ladies steel watch by Le Coultre at £175. It is a back-winding model and these are also currently very sought-after.

On the right is the first ever digital (in the sense that just the numbers show, there are no hands — the hours rotate in the cut-out section at the bottom, the minutes in the upper cut-out section). It never became very popular because of the great difficulty people had in telling the time but it is currently enjoying great popularity because of its curiosity value. Dating from the 1930s, made by an unknown Swiss firm, it is £200.

Finally, sketched in the middle is my own antique watch — culled from a Saturday morning stall at Camden Passage market some years ago now, it cost £10. It is, I think, very pretty indeed, has a 9 carat gold rimmed face and hand-painted flowers on the face. It was a very common model in the decade between 1910 and 1920 and many models can still be found on antique stalls.

ARTS

The play's the thing

BY B. A. YOUNG

"A Dramatic Revival (1956-71)," says a sub-head in Radio Times over this week's Saturday-Night Theatre and Monday Play. "A selection from 15 years of British Theatre." 1956, we all remember, was the holy year in British Theatre, when the Royal Court gave us *Look Back in Anger*, but what has caused Radio 4 to select those 15 years isn't easy to say. David Turner's *Semi-Detached* (Saturday) is memorable in its way as Laurence Olivier's one undoubted flop, in the part of Fred Midway, a class-conscious Birmingham insurance agent who uses the matrimonial complications of his children to advance his social and financial situation. (Well, there was also *Term of Trial*, in which he played a North Country teacher accused of indecent assault.)

Semi-Detached made an acceptable Saturday-Night Theatre, though it seems to me that Roger Hume's Fred Midway was no nearer to achieving a true Birmingham accent than Olivier was. David Turner seems to have been as class-conscious as Fred Midway himself. I'm always uneasy about plays that make fun of other people's ways of life. Not the way in which daughter Eileen's prospects and son Tom's adultery and daughter Avril's foundering marriage are used to promote Fred's career, but the sneers at the semi-detached house, the model-railway society and so on, the whole phone-for-the-fish-knives-Norman catalogue: what makes them any more laughable than cumumber sandwiches served in the drawing-room by the footman, or fish-and-chips from a paper bag?

A more worth-while revival from those arbitrarily-chosen 15 years was David Storey's *Home*, dating from 1970. Not Olivier, but Gielgud and Richardson gilded this curious play on its first production at the Royal Court. With those two players in the parts of Harry and Jack, the two tearful middle-aged, middle-class patients in a home for the mentally-disturbed, it could hardly fail.

It is less moving as a radio play, for it was important that you should have the heart-twisting shock of realising that those two respectable old men exchanging small talk about their lives were actually confined as the result of some quite unsuitable (though only vaguely suggested) offences—"I happened to knock a pedestrian over in the street," "following little girls," nothing ever fully explained. It really needs the visual element. All the same, the performances of Alec McCowen and Hugh Burden, exchanging their telegraphic conversation, was profoundly moving. So too were those, much more outspoken, of Brenda Bruce and Elizabeth Spriggs as their two lady fellow-patients. You can hear this again tomorrow at 2.30 pm.

Schweyk in the Second World War, by Brecht, is hardly a revival at all; for it seems to be going on all the time. The RSC did it a few years ago, with Michael Williams as Schweyk, and the National are doing it with Bill Paterson; and here is Radio 3, also with Michael Williams, keeping it warm for us.

I wish I were able to see the fascination it holds for so many people. Hasek's original Schweyk (or Svejk, as I prefer to spell him), the cunning little soldier who uses his mock-stupidity to ensure himself a comfortable life, is one of the most likeable characters in all fiction. But it would take another Czech to continue his story. Czech humour is unique. Brecht's humour is as German as can be.

Moreover, Brecht took great pains to see as little as he could of the Second World War. He wrote this play in America in 1943, with the idea that Kurt Weill should make a Broadway musical out of it. That was a non-starter— the version Radio 3 gave us, translated by William Rowlinson, has music, including substantial orchestral interludes, by Hanns Eisler, who has also written quasi-operatic settings of the passages for Hitler and his lot. Compared with Hasek's stories, Brecht's are not very funny; Schweyk and his mates at U Kaliche pub in Prague take the mickey out of the occupying Germans until, failing to persuade them that he is sick, he is enlisted into the German forces and sets off to Stalingrad.

He meets Hitler on the way, and Hitler hasn't the least idea what to do next, so the whole thing ends with one of Eisler's tuneful songs. The satire throughout is pretty blunt; Hasek must be turning in his grave. But the production (under Clive Bennett and Ian Cotterell) is lively enough.

Londonderry airs, Belfast blues

Michael Coveney reports on theatre in Northern Ireland

They order things differently in Ireland. Golden periods of world drama have usually been the product of a stable bourgeoisie and secure culture. You could hardly claim that our own restless times in England have produced a great body of major plays. Nor would I claim the case to be much different in Ulster.

But there are signs of the Irish theatre renewing itself in the midst of chaos and continuing civil, as they say, unrest. Hugh Leonard, of course, has a new play for the Dublin Festival in the first week of October. In the meantime, the most eagerly anticipated opening on the drama calendar was the annual production by the Field Day touring company this week in the Guildhall, Londonderry.

It all started two years ago with Brian Friel's *Translations*. Last year Mr Friel translated Chekhov's *The Three Sisters*. This year he returns to a little cottage in Donegal of the sort he placed at the centre of *Translations*. The difference is that the time is the present, the place has been renovated in the "authentic" style and a sense of history and the past put through the wringer of a frantic farce.

The play is called *The Communication Cord*, which Mr Friel pulls like mad chiefly in the guise of a junior lecturer in linguistics, Tim Gallagher, who has borrowed the cottage in order to impress the daughter of a Senator (ho-ho-Haughey) for whom God is the Republic and the old black kettle a revivalist token. The moving sentimentality of *Translations* is here exploded, and in hilarious fashion, as a symptom of the tourist-in-his-own-landscape mentality.

Gallagher's subject is Discourse Analysis with particular reference to Response Cries. The role is taken with stunning, self-consuming bravado by Stephen Rea, and Joe Dowling's top class production keeps the action at full pelt until the interval. Then, as so often in farce, nobody quite knows where to go until the inevitable curtain of the cottage collapsing in a dusty heap. But for 80 minutes, the confusions, linguistic and physical, are sheer joy.

They involve a German camper who wants to buy the cottage, a deliciously ridiculed peasant woman who has claims on the territory, and two other girlfriends. All the apparatus of low-brow farce is cleverly worked in: underwear in pockets and by the hearth, slamming doors, false exits, identity mix-ups (it would be impossible to recount how the Senator comes to be labelled "Doctor Bollocks") and the tactics of desperation.

The slump sets in when the final girlfriend has to start explaining herself and extracting a skeleton from the Senator's past. The Senator by now is stuck in an authentic old cow chain, unable to move his neck without almost breaking it. The rapid invention of Act 1 disappears in the clouds of smoke that belch authentically forth from the hearth, one more hazard for the myopic structuralist.

These Friel first nights (*The Communication* Cord opened *on Tuesday*) in the Guildhall have become a ritual flashpoint in the cultural life of the community. You couldn't move at the bar for poets, politicians and assorted theatre folk. The whole occasion is a most extraordinary bash. But Field Day get on with the job by taking the play to Belfast next week and then embarking on a tour all over the country that would have delighted even that legendary trouper Anew McMaster.

On Wednesday night, the party had moved down to Belfast, where the new artistic director of the Lyric, Leon Rubin, is pursuing an adventurous policy of new plays on contemporary themes. *The Hidden Curriculum* by Graham Reid was in fact commissioned and first presented by the Abbey in Dublin. But its setting is a secondary school and immediate neighbourhood in West Belfast. The jokes about terrorist activity went down very well, repaying the author's bravery in cracking them.

The play opens with an English teacher (Denys Hawthorne reading the war poetry of Wilfrid Owen to the audience, ie, a class of disaffected pupils. In the play's central scene, two "old boys," both unemployed and caught up in loyalist activities, re-visit the school after two years and establish a different sort of relationship with the teacher.

As a result of this meeting, the teacher goes out on the street and returns with proposals to change the curriculum, overhaul the remedial teaching and instigate a full year's course of 20th century Irish history. His case is thrown out by reactionary colleagues and compromised headmaster.

The construction may be sloppy, one or two scenes needlessly repetitive and some of the situations — indeed the central scene — slightly contrived. But all objections wither in the sheer urgency of the subject matter, the zest of the playing in Leon Rubin's production and the consistently demonstrative responses of the audience. Actors are applauded not for the excellence of their playing but for the effect of the scene they have created.

There is a clever, evocative design by Ken Hall and, in support of Denys Hawthorne, some marvellous playing by Adrian Dunbar and John Elmes as the two boys and by Michael McKnight as a cynical, street-wise and obviously competent younger teacher who has, nonetheless, been defeated by the uphill struggle.

I gather that there are several more new plays on the way to Belfast; and the Abbey's literary manager is very excited about three new Ulster writers who will be bowing in Dublin next spring.

Ian McElhinney and Stephen Rea in 'The Communication Cord'

Barber at Scotts

BY KEVIN HENRIQUES

Ronnie Scott's low-slung ceiling is alive this week to the sound of a style of jazz rarely heard at these premises, namely New Orleans and early mainstream, interpreted with respect but not blind emulation by Chris Barber and his Jazz and Blues Band, astonishingly making their first appearance here.

For quite some years now trombonist Barber has constantly widened the compass of his band (now eight strong) and his concerts have run the gamut from early New Orleans standards to earthy, bluesy, rock-based originals. So his sets at Scott's on Tuesday evening, with the accent falling heavily and rather one-sidedly on trad jazz tunes, came as a mild surprise and slight disappointment.

There was only one Duke Ellington composition—"Queen Bess"—on which the leader adeptly handled a cumbersome-looking baritone-horn. There was an Ellington-sounding arrangement of a piece which turned out to be Teddy Wilson's "Mary had a little lamb," described by jazz historian James Lincoln Collier as a "vile pop tune" but here given far from vile treatment. And there was only a brief nod towards contemporary popular music with a couple of tunes from The Band which brought into use three electric guitars.

None of the familiar N.O. repertoire—e.g. "Ory's Creole Trombone," "Perdido Street Blues," "Bourbon Street Parade"—were delivered offhandedly or complacently. Always there was imagination in presentation: just Barber and bassist Vic Pitt starting off the unpromising "When you wore a tulip," gradually joined by the others and building it into something substantial; the muted trumpet of long-serving Pat Halcox with bass and guitar only on "Buddy Bolden's Blues"—here the blues guitar of Roger Hill sounding jarring, yet strangely effective, with its country feeling. Along with natural zest, gentle humour is ever apparent, not least from the leader who slyly slipped in a sizeable quote from "Moonlight Serenade" in his solo on "Basin Street Blues."

Odyessy on Thames

BY ROSALIND CARNE

How delightful it is to float through a great city at night. If only we had been offered some instructive historical commentary instead of mangled shreds of Homer, amplified out of speakers around a pleasure cruiser.

The epic voyage starts with an hour-long prelude on another, stationary, craft, moored at St Katherine's Dock. In a makeshift low-ceilinged studio theatre we are presented with the hero's lengthy dressing ritual. Malcolm Ingram plays Odysseus, and when suitably attired, he seats himself Buddha-like to relate the Cyclops and Circe episodes, busying his hands with elaborate sign language. Members of the audience (about 50) are then required to follow him to Hades (downstairs) where we hear about the dead heroes, Achilles and Agamemnon.

All this wandering about does give a certain immediacy to the theme, and I was reminded of those marvellous children's Hallo'een parties, in which each child becomes an actor in a pageant around the house. So far we could easily be inside a house, for there is no glimpse of water, and the only way we know we are on a boat is the faint nausea that accompanies its imperceptible rocking.

Out on the open Thames, stomachs have a chance to settle and a comic strain at once intrudes. Bank Power Station "capped by black clouds" is likened to the rocky home of Scylla, and when, at last we reach the Palace of Westminster we learn of the leader, Circe, turning MPs into swine.

Back at Ithaca, we are scuttled onto the other boat to witness a most unsatisfactory conclusion. Telemachus, representative of dispossessed youth, in regulation black leather and earring, lolls about, sniffs glue, listens to his father's ansafone, and finally, staggers out.

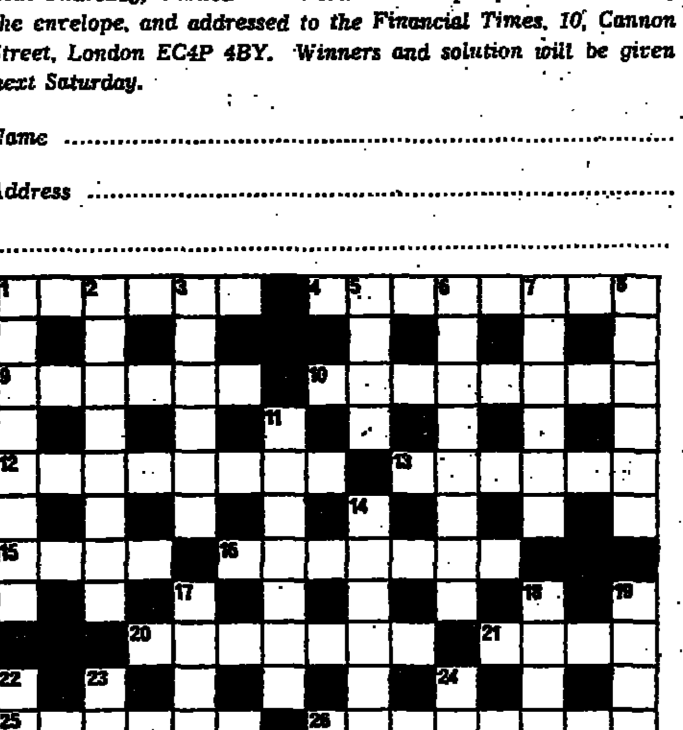
The suitors, smartly dressed, play TV games and blow up a "Miss Wonderful" sex doll, having failed to make any headway with Penelope. She of course, knits, only stirring to make a few comments about inflatable women. That's it. Odysseus is still out there, somewhere. The entire "performance" takes three hours.

F.T. CROSSWORD PUZZLE No. 4,982

A prize of £10 will be given to each of the senders of the first three correct solutions opened. Solutions must be received by next Thursday, marked Crossword in the top left-hand corner of the envelope, and addressed to the Financial Times, 10, Cannon Street, London EC4P 4BY. Winners and solution will be given next Saturday.

Name

Address



ACROSS

1 Metal washing machine? (6)
4 It causes trouble as an item of luggage (8)
9 Thought it would be back in time (6)
10 He has a little place in the country (8)
12 Will lose varied sources of wealth (3-5)
13 Back at sea (6)
15 Plant where workers strike for more money (4)
16 A company on leave (7)
20 Retribution seems in order (7)
21 A very small amount for the time of year (4)
25 Describes a struggle of some gravity (6)
26 Hardly a position of strength (4, 4)
28 Cut to size or followed around (8)
29 Choose not to go straight? (6)
30 Possibly press one for an answer (8)
31 Buzzers that don't work (6)

DOWN

1 N.C.O. arranged battle course (8)
2 A girl not without heart, but peevishly impatient (8)
3 Dashed off to fulfil a secret engagement? (6)
5 One form of trust (4)
6 Discuss at leisure what one does for a living? (4, 4)
7 His bank account is often misleading (6)
8 Make a mistake and run for it (6)
11 Clothing strike? (7)
14 I've cut the tips for the salad (7)
17 Being rich, we shall have to join the party (4-2-2)
18 Does she preach no involvement? (8)
19 Experiences initial difficulty in speech-making (8)
22 Craft of one in the tailoring trade (6)
23 China's new restrictive measures (6)
24 A sticker for the traditional method of roasting (6)
27 Rigid forms of worship (4)

Solution to Puzzle No. 4,981

✦ Indicates programme in black and white

BBC 1

6.25-8.05 and 8.30-8.55 am Open University (Ultra High Frequency only). 9.05 Play Tennis. 9.30 Get Set. †11.00 "Return of the Bad Men" starring Randolph Scott and Robert Ryan. 12.27 pm Weather.
12.30 Grandstand including 1.00 News Summary; Football Focus (12.35); Rally Cross (1.05, 2.45, 3.55) Star Tyres International Rallycross from Lydden Hill; Championship Darts (1.05-3.55) Unipart British Professional Championship from Middlesbrough; Racing from Ascot (1.50, 2.25, 2.55, 3.35); Crown Green Bowls (2.10, 3.15, 3.55) 1982 John Player Champions Trophy from Blackpool; 3.45 Half-time soccer scores, news and reports from around the country; 4.35 Final Score.
5.10 Donald Duck's Frantic Antics.
5.30 News.
5.40 Regional Sports/News Programmes.
5.45 Kung Fu starring David Carradine.
6.35 The Late-Late Breakfast Show starring Noel Edmonds.
7.15 Blankety Blank.
7.50 Juliet Bravo.
8.35 Summertime Special starring Shirley Bassey.
9.25 News and Sport.
9.40 The Saturday Film: "Klute" starring Jane Fonda and Donald Sutherland.
11.30 Cannon.

REGIONAL VARIATIONS: Cymru/Wales — 5.40-5.45 pm Sports News Wales.
Scotland—12.30-5.10 pm Grandstand: Football Focus (12.35); Rally Cross (1.05, 2.45); Darts (1.05, 3.55); Racing from Ascot (as BBC1); Snooker (2.10, 3.15, 4.30) Lang's Supreme Scottish Masters; 3.45 Half-time scores; Rugby (3.50) Scotland XV v Fiji—second-half commentary from Murrayfield; 4.35 Final Score; 5.40-5.45 Scoreboard; 11.30 Snooker: Lang's Supreme Scottish Masters; 12.15 Scottish News Summary.
Northern Ireland—5.00-5.10 pm Northern Ireland Results; 5.40-5.45 Northern Ireland News. 12.20 am Northern Ireland News Headlines and Weather; Close.
England—5.40-5.45 pm South West (Plymouth): Spotlight Sport. All other English regions: Sport/Regionals News.

BBC 2

6.25 am-3.10 pm Open University.
3.10 Saturday Cinema: "Taras Bulba" starring Tony Curtis and Yul Brynner.
5.10 Championship Darts: Unipart British Professional Championship.
6.35 The Old Grey Whistle Test.
7.15 News and Sport.
7.30 "L'Egisto" from the Theatre Royal, Glasgow, Raymond Leppard's realisations of Cavalli's opera in the production for Scottish Opera.
10.00 Championship Darts.
11.05 News On 2.
11.10 Grand Prix: The Caesar's Palace Grand Prix.
†11.45-1.35 am Hitchcock: "The Wrong Man" starring Henry Fonda and Vera Miles.

LONDON

9.30 am Sesame Street. 10.30 Cartoon Time. †10.45 Saturday Morning Pictures: "Abbott and Costello Meet Frankenstein." 12.15 pm World of Sport: 12.20 On the Ball; 12.50 Speedway—World Long Track Final; 1.00 Rallying—Rothman's Manx International Rally; 1.15 News; 1.20 The ITV Six from Redcar and Stratford; 2.55 Golf—The Bob Hope British Classic from Moor Park, Hertfordshire; 3.45 Half-time Soccer News and Reports; 4.00 Golf—The Bob Hope British Classic; 4.45 Results.
5.05 News.
5.15 Metal Mickey.
5.45 The Pyramid Game.
6.10 Game for a Laugh.
7.00 Buck Rogers—The Movie starring Gil Gerard and Erin Gray.
8.45 The Bob Hope Classic Cabaret in the presence of Princess Margaret, Countess of Snowdon.
10.05 News and Sport.
10.20 The Big Match.
11.20 London News Headlines followed by "Continental Movie: "The Deadly Trap" starring Faye Dunaway, Frank Langella and Barbara Parkins.
1.05 am Close: Sit Up and Listen with Michael Hordern.

All IBA Regions as London except at the following times:

ANGLIA
9.00 am Sesame Street. 10.00 Animals in Action. 10.25 The Flying Kiwi. 10.50 Clapperboard. 11.20 Tarzan. 10.20 pm Match of the Week. 11.20 Journey to the Unknown. 12.20 am At the End of the Day.

BORDER
9.30 am Kum Kum. 10.00 Tarzan. 10.50 Clapperboard. 11.20 Space 1999. 10.20 pm Matchtime—A top First Division game from the north-west. Martin Tyler is the match commentator. [illegible]

CENTRAL
9.10 am Clapperboard. 9.40 Not Just a Pretty Face. 10.05 Gather Your Dreams. 10.30 Saturday Morning Cinema: "The Lion, the Witch and the Wardrobe" (cartoon). 10.20 pm Star soccer introduced by Gary Newbon. 11.20 Thriller: "Sleepwalker." starring Darleen Carr, Robert Beatty and Ian Redford.

CHANNEL
5.15 pm Puffin's Pla(i)ce. 5.20 Mr Merlin. 11.20 Hill Street Blues.

GRAMPIAN
9.25 am Falcon Island. 9.50 Sesame Street. 10.50 Clapperboard. 11.15 Space 1999. 10.20 pm Match Time. 11.25 Police Story.

GRANADA
9.00 am The Groovie Ghoulies. 10.00 Tarzan. 10.50 Clapperboard. 10.20 pm Scotsport: Arthur Montford introduces top league football from both sides of the border. 11.25 Reflections. [illegible] Star Parade.

HTV
9.40 am Ask Oscar. 10.10 Joe 90. †10.35 Saturday Morning Picture Show: "Above Us the Waves." 12.13 pm HTV News. 5.13 HTV News. [illegible]
HTV Cymru/Wales—As HTV West except: [illegible]

SCOTTISH
[illegible]

TSW
[illegible]

TVS
[illegible]

TYNE TEES
[illegible]

ULSTER
[illegible]

YORKSHIRE
[illegible]

RADIO 1
[illegible]

RADIO 2
[illegible]

RADIO 3
7.55 am Weather. 8.00 News. 8.05 Aubade. 9.00 News. 9.05 Record Review (S). 10.15 Stereo Release (S). 11.25 BBC Welsh Symphony Orchestra, part 1: David Ellis (S). 11.55 Interval [illegible]

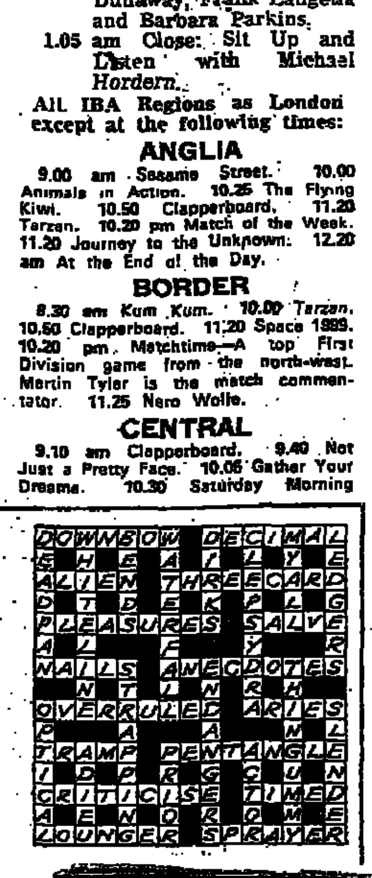
RADIO 4
[illegible]

BBC RADIO LONDON
[illegible]

LONDON BROADCASTING
[illegible]

CAPITAL RADIO
[illegible]

SOLUTION AND WINNERS OF PUZZLE No. 4,977



Mrs R. L. Adam, 9, Marline Avenue, Bromborough, Wirral, Merseyside.

Mr G. Snowden-Davies, 10, Mill Close, Cardiff CF4 5XQ.

Mr L. Cartwright, 5, Park Court, Pool-in-Wharfedale, Otley, West Yorkshire.

CHESS SOLUTIONS

Solution to Position No 442

No—both Alekhine and his opponent saw that if 1...PxP; 2 PxP, NxP; 3 RxN, QxR; 4 QxP ch, N-Q2; 5 Q-B6 ch, PxQ; 6 B-R6 mate.

Solution to Problem No 442

1 N-B3. If 1...P-B5; 2 QxP ch, KxN; 3 Q-Q2 mate. If 1...PxN; 2 B-N3, and if K-K4 ch; 3 QxR, or if R-Q4: 3 Q-K3, or if R-B5; 3 Q-K3, or if P-B5 or P-B7; 3 Q-Q5.

THEATRES

[illegible]

COLLECTING

Glass glitter for millions

BY JANET MARSH

VICTORIAN MOULDED glass is one of the few remaining preserves for the collector with less money to spare than enthusiasm for scouting and research. Since it was mass-produced, durable and useful, the survival rate has been high; and there has never been competition from collectors of fine glass, who inevitably look down on such a popular and admittedly often crude production.

At its best, though, moulded glass ware is robust, cheerful and decorative. It is also an oddity among antiques, since it was made earlier in the U.S. than in Europe, and indeed constitutes a notable pioneer effort of American industrial production. *Deming Jarves*, of the Boston and Sandwich Glass Company was making moulded glass by his patented methods, at least as early as the 1820s, and the style is still often known in America as Sandwich glass.

There were two basic techniques for moulding glass. Mould blowing involved blowing molten glass into a three part metal mould. In press moulding, a measured quantity of molten glass was squeezed between the mould walls and a metal plunger. The difference between the types can readily be detected: mould blowing produces a glass of regular thickness, so that the shape of the inside of the vessel follows that of the exterior. Pressed glass tends to be thicker and has a regularly shaped interior, following the simple contours of the plunger.

Both methods tended to produce a rather rough surfaced glass. Ware of the thirties and forties—by which tim e the manufacture had spread to Europe, notably England, Sweden, France and Belgium—is almost invariably decorated with stippled grounds, known as the "lacy" style, to offset this disadvantage. Later a form of heat treatment, known as "fire polishing" gave a smoother finish and permitted greater freedom of design.

In England, a number of manufacturers sprang up in the 1830s and 1840s to cater for a ready market. Much of their work was unsigned; the principal recorded manufacturers of the early period were Rice Harris and George Bacchus of Birmingham, Thomas Hawkes of Dudley and Richardson and Wheeley and Davis of Stourbridge, always an important glass centre.

The English manufacturers tended to imitate cut glass—which was one of the factors that got cut glass a bad name in the late Victorian era. In the U.S. and Canada, where glass factories also sprang up in the first half of the century, pressed glass tended to be more independent in design and also more practical. Coarse, knobbly bottle-green oil lamps that came in a great range of sizes are today wonderfully evocative of North America's pioneering days.

Uniquely American, too, are the "historical" flasks produced in vast numbers and great variety between about 1820 and 1870. Practically every major national event and personality of this half-century, from Jenny Lind to Lincoln, was commemorated on moulded bottles, which were also a cheap and attractive medium of political propaganda.

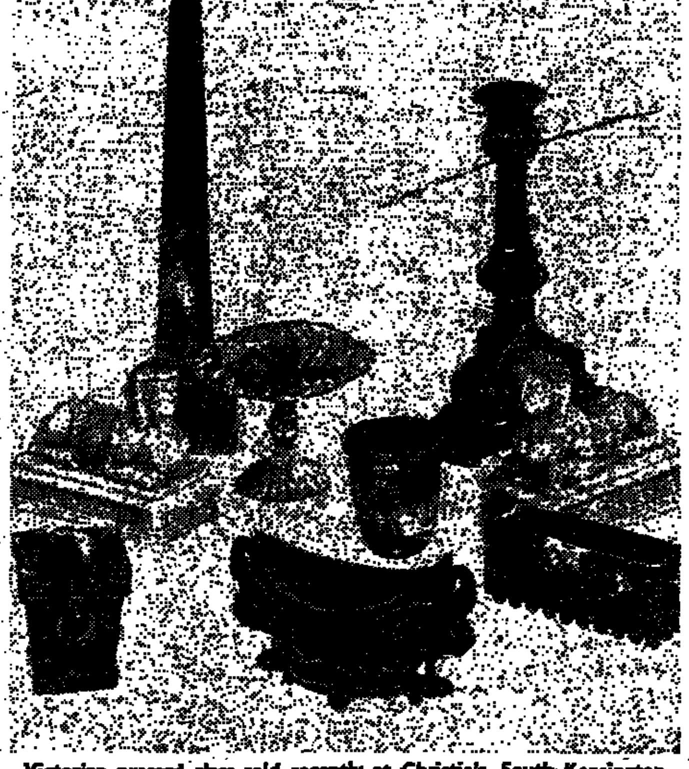
In Britain, too, pressed glass was often employed to commemorate great events. Some of the earliest dateable glass is a series of attractive plates celebrating the memorable moments of Queen Victoria's early years—her Coronation in 1837, her marriage to Prince Albert in 1840 and the birth of the Prince of Wales a year later.

More frequently and more cheaply encountered are the innumerable plates, sugar bowls and other objects made to mark the Queen's Silver Jubilee in 1887 and the Silver Wedding of the Prince of Wales the following year. By this time the manufacturers had largely liberated themselves from slavish imitation of cut glass. Geometric arrangements of diamond facets or knobs give these objects an attractive glitter.

A variety of vases, ornaments and novelties were produced to give sparkle to cottage mantelshelves or fairground stalls. A model of a coal wagon in the Victoria and Albert Museum, made in Newcastle about 1880, recalls the popularity of moulded glass in the mining areas of the North East, where much of it was made. Miniature boats and paperweights in the form of Landseer lions are more often found.

Gaudy when seen in isolation, the gum-drop greens and blues and yellows of coloured pressed glass can also be very attractive when displayed in groups. Sowerby of Gateshead was perhaps the best-known maker of "slag" glass (so called because slag, or steel furnace waste was originally part of its formula) and other types of opaque glass.

The familiar pale blue and creamy white of Sowerby glass was in turn adapted, in the last decades of the 19th century, to the fads for Japanalia and art nouveau. Sowerby's rival in Gateshead, George Davidson, produced glass of distinctive primrose and a blue which he marketed as "Pearline."



Victorian pressed glass sold recently at Christie's, South Kensington

So far there seems to be no shop which specialises to any great extent in pressed glass, though among the elusive itinerants who appear at one-day antique markets around the London area there is an amiable young man who generally has a stall wholly devoted to it. Shops which deal in commemoratives can generally produce a few examples.

Nor till recently was there much literature: the authoritative chapter in Hugh Wakefield's 1961 *Nineteenth Century British Glass* (just revised and reissued by Faber at £25) was a pioneer study. Two more recent contributions are C. R. Lattimore's *English 19th Century Press-Moulded Glass* and a chapter in Barbara Morris's *Victorian Table Glass and Ornaments*. The Shipley Art Gallery in Gateshead sells a facsimile of the Sowerby factory catalogue, which reveals the range and invention of this 19th century industry.

Private collectors re-enter the arena

COINS

JAMES MACKAY

THERE HAS been a lot of loose talk lately of a depression in the coin market. To be sure, it would have been surprising if the modest boom of 1979-81 had continued in the present recessionary climate; but although the departure of the speculators for more lucrative pastures has brought the prices of certain investment material tumbling the overall position is remarkably buoyant.

Prices realised at auction are generally lower now than they were a year ago but this is no bad thing since the genuine private collector—in danger of being elbowed out—has now re-entered the arena. Auctioneers' estimates are now more realistic and it is highly significant that all the major salerooms report a substantial fall in the number of unsold lots. This trend is matched by a greater percentage of postal bids now coming in for each auction, as collectors far removed from the scene of the auction feel able to bid by post in confidence.

The true state of any type of collecting can be gauged by three factors—the quality of the literature published to sustain existing and stimulate fresh interest, the frequency of auctions and the range of material on offer, and the level of organised activity involving both dealers and collectors. On all three counts I am happy to report that numismatics is flourishing.

The first criterion is amply demonstrated by the latest book to land on my desk. The internationalism of numismatics is reflected in the fact that *The Art of Coins and their Photography* was compiled by Gerald Hoberman, a distinguished South African collector, and it was printed in his home country, but published jointly by Lund Humphries and Spink & Son, both of London.

The subject matter is, of course, truly cosmopolitan, ranging over five continents, from the Lydian gold staters of 560 BC to Charles Barber's silver half dollar of 1910. The author combines a deep knowledge of coinage, especially the aesthetics of coins, with considerable expertise as a photographer. Coins are exceedingly difficult to photograph satisfactorily but Mr Hoberman's photographs, including 329 in colour, are superb.

In addition, there are many black and white photographs and over 200 line drawings, matched by a text which is a gem of typography. At £45, this large and handsome volume falls into the category of a coffee-table book. It is a pity that that term has become pejorative, since this is a splendid example of the genre, all too rare in the coin world, which will undoubtedly prove to be a better investment than many of the modern coins retailed at a comparable sum.

As to the state of the auction market, the 1981-82 season ended on a high note with the sale of the Brand collection by Sotheby's in Zurich. Only three of the 377 lots were unsold and the total of £981,613 was little short of the £1m which the pre-sale estimates had hardly dared hope for. Interest in the Roman and medieval coins was particularly noticeable, but it was the Swedish lots which produced the most astonishing results, with a ducat of Erik XIV fetching £11,520—four times the pre-sale estimate despite the fact that it had been pierced for suspension.

After a summer of quiet consolidation the mood is one of cautious optimism. The prices of run-of-the-mill material are continuing to drift, while many of the more fashionable items which make frequent appearances in the saleroom are much lower than they were two years ago. On the other hand anything of superlative quality and particularly material which is off the beaten track, is in keen demand. This was borne out by the Spink sale on Tuesday which opened the 1982-83 season in fine style, commencing with 138 lots of Hiberno-Norse silver pennies, the finest collection of this group to come on the market for two decades. The Viking theme in the early part of the sale was nicely balanced by 24 lots of silver, copper and lead coins from the ertswhile Danish colony of Tranquebar in India.

The season really gets under way next month with two major events in London. On October 8-10 the European Congress of the International Bank Note Society takes place at the Victory Services Club, Seymour Street, W1—a must for the collector of banknotes, paper money of all kinds, cheques and scripophily. On October 15-16 Coinex '82, Britain's largest international coin fair, will be held at the Europa Hotel, Duke Street, Grosvenor Square, W1. This fair, the fourth organised by the British Numismatic Trade Association, promises to be even bigger and better than its predecessors.

The major salerooms have arranged auctions to coincide with these events. Sotheby's are following up their recent success in the Islamic field with a sale on October 11 of 221 lots of gold coins of the Ottoman Empire and the republic of Turkey and the following day the same saleroom will be handling 402 lots of Islamic coins, mainly in gold. On October 12 Christie's put up for sale a wide range of British and foreign coins, including the third and final portion of the collection of the late Sir Charles Oman. Spink's sale at the Cavendish Hotel on October 13 gets off to a flying start with 102 lots of Anglo-Gallic coins, the finest assemblage of this interesting series in over a decade. The second portion of the collection of British colonial coins formed by Fred Pridmore will be offered by Glendining's on October 18-19, the strength lying in the Straits and Hong Kong.

Austrian silver thaler, 1717

SPORT

Bob Hope, golf and hoopla: **Ben Wright** reports

Battle of Bob and Bernard

BOB CHARLES, with a "dull and boring" 69, and Bernard Gallagher, with a dour and fighting 72 were the joint leaders of the Bob Hope British Classic at Moor Park after two rounds. They were jointly seven under par, to lead by one shot from Brian Barnes and by two from the 24-year-old Irishman David Feherty.

With the last quarter of the field to finish only Mark James, seven under after 11 holes and Gordon Brand, six under after 15 holes, looked likely to pose any kind of threat to the leaders in the club house.

Gallagher and Charles, in their way, are appropriate leaders for an event of this kind. The hoopla that surrounds the actual playing of the golf demands concentration of the highest order, and no one has ever accused either of these two outstanding players of being deficient in that respect.

Both have been able to ignore the crowds that struggle and strain, not for a sight of a superbly struck two iron, but, more likely, the folds of flesh at the back of Telly Savalas's neck.

There are, of course, conflicting views as to the efficacy of this kind of event for golf in general. But the all-important view is that of the punters who pay to come in, and they have made their point with great emphasis this week.

There were around 15,000 people present at Moor Park on both the first two days, and charity is certain to benefit. In an interview with Bob Hope and organiser John Spurling, we were assured that charities would receive at least £100,000 this year, and that the tournament, which has lost over £400,000 in its first two years, would move into the black this time.

There was a distinct lack of penetrating questions from reporters more concerned with birdies than bank accounts, but Hope himself seemed satisfied with the way things are.

Certainly the professionals are, who play for a prize fund of £100,000 to increase by £20,000 next year. First prize is £15,000 and there is considerable interest in the sub-plot to this tournament concerning the battle between Greg Norman, Sandy Lyle and Nick Faldo for the European Number One spot.

There are now so many exemptions that this is a title well worth winning and if Norman should take this tournament he would put himself almost beyond reach at the top of the table. But Lyle, currently £15,000 behind him and Faldo £17,000 in arrears both have hopes of overtaking the Australian.

Norman's wife is about to give birth to their first child in America and he has said that this will be his last Money List event. As there are four more tournaments open to both Lyle and Faldo there is a strong possibility that if they can keep him in their sights this week, they will eventually be able to gun him down.

Hope: eternal

Gallacher: dour

Gallacher's first round 65 was built mainly on a putter given to him by one of his Wentworth members, a Mr Norman Angell. He had only 27 putts with it in his first round but on his first hole in the second round he missed from four feet to take three putts and drop a shot.

The offending weapon was not called into action on the next hole because Gallacher chipped in for a birdie and thereafter Gallacher played holding golf, rather than the attacking version he was able to employ on Thursday.

Charles is devastatingly honest about his golf. Occasionally, too much so, as when he told everyone six weeks ago that he had acquired a "twitch." As Charles has long been venerated as one of the world's great putters, he has not been able to meet a pressman since without the inevitable questions as to his putting stroke. Nevertheless he has put his problems aside this week and claims not to have missed anything under 10 ft.

He had his share of luck and nowhere more so than at the third. Charles said of his second shot that it "kicked and bucked and jumped and bounced and scrambled to 6 ft." He, of course, holed the birdie putt and added with a grin "in other words, that second shot was just not a good one."

The man lying third, Barnes, could hardly be more different in character. He revels in the lighthearted atmosphere that is engendered by the presence of the stars and after his first round stayed several hours in the club house bar talking to whomsoever wished to be seen with a celebrity.

It is just such behaviour that goes a long way towards building the European Tour and Barnes is an expert at it. He said yesterday: "If there is one tournament in the year that I should win this is it. I can cope with the razzamatazz and hopefully produce something like my best golf at the same time."

A small illustration of how Barnes goes about his business: at the end of the second round he slipped up silently behind the lady marker that had accompanied his match and popped his golf ball into her pocket as "a small token of appreciation." The lady concerned was quite overcome.

David Feherty is one of the young hopefuls on the European Tour who shows every sign of building up to a breakthrough. He finished joint second in the Dutch Open and has had three further finishes in the top 10.

He hits the ball well and has had two years apprenticeship in America where he will have learned the realities of a golf professional's life. His second round 73, after an opening 66, leaves him well in contention.

In spite of the rain which has come to be almost an accepted if unpleasant aspect of the tournament the amateurs are still clearly enjoying themselves. None more so than Nicholas Norton, a 17 handicap member from Wentworth who had the pleasure of partnering Gallacher in the first round. After two rounds he is 19 under par for the tournament and leading the amateur competition by a distance.

Also in contention is the comedian Tommy Cannon at 15 under and, although he is some way down the list, the England fast bowler Robin Jackman should be pleased with yesterday's efforts. He had three birdies and an eagle and is 12 under par for the tournament.

But later, with the course almost under water, Mark James birdied the last two holes for a second-round 66 to add to his first round 70. His 136 total of 8 under par gave him a one stroke lead over the field.

RACING

DOMINIC WIGAN

DARA MONARCH, Sandhurst Prince, Mr Fluorocarbon and Achieved are all in the line-up for today's Queen Elizabeth II Stakes at Ascot, and the mile event promises to be as fascinating as any in the race's short but eventful history.

Neither Dara Monarch nor Sandhurst Prince ran up to their best last time out, but in the expectation that they will be back at their most formidable here I shall be taking them to dominate.

Sandhurst Prince did not cope as well as Green Forest and The Wonder with Longchamp's downhill right-handed turn in the Prix du Moulin early last month and in the circumstances was not disgraced in finishing third just ahead of Melyno. Now on a course more suited to his style of racing and on better ground than was encountered in France, Sandhurst Prince can return to the form which saw him outclassing Milk of the Barley and Beldale Lustre in the Waterford Crystal Mile.

Dara Monarch, the impressive winner of both the Irish 2000 Guineas and the St James's Palace Stakes, was a bitter disappointment in the Waterford Crystal Mile. However, it transpired some 24 hours later that he was already getting under the weather with the temperature at Goodwood and the running can be safely overlooked. Quietly fancied by his astute handler, Liam Browne, on that occasion Dara Monarch would not be in today's line-up were his connections not confident that he is ready to do himself full justice.

Behind the Lines, a steadily improving half-brother to Rousalka, defeated Fast Torpedo far more easily at Salisbury last time out than a length margin might suggest and David Elsworth hopes that the colt can lift the Royal Lodge Stakes.

ASCOT

2.00—Morning After
2.35—Dara Monarch*
3.05—Swinging Rebel***
3.40—Behind the Lines**
4.10—Sea Pago
4.40—Sun Princess

REDCAR

1.45—Miss Nelski
3.45—Hizaziah
5.10—Lucky Ivor

That's show business, says **Trevor Bailey**

Soccer's lost legions

I WENT to the cinema to see *Blade Runner*. It is a brilliantly directed and well publicised science fiction thriller. The next day I was at Highbury watching Arsenal against Notts County. Then home to see Charlton Heston in *Two Minute Warning* on television.

These three occasions don't seem connected, but they do combine to explain the catastrophic fall in League football gates this season, in spite of a marked increase in goals and excitement.

My experience of *Blade Runner* simply underlines the extent to which entertainment tastes in the UK have changed. Thirty years ago a film like that would have had the customers queueing every night outside a super-cinema. Today it couldn't even fill what is nostalgically called a flea pit.

Two Minute Warning used an American Rules Football final, which attracted a capacity crowd of some 90,000 as a setting for an indifferent fictional thriller. The intriguing feature was the civilised behaviour of the spectators, for whom the match was clearly both a sporting and a social occasion.

They had come to cheer their team and to be entertained, in sharp contrast to many of our soccer fans who are more interested in fighting, and chanting dirty songs than the football. There was no hooliganism, which has turned so many people, especially families, away from football in this country.

At Highbury, the Gunners, noticeably more adventurous than last season, beat a disappointing Notts County 2-0. Their victory would have been larger if their players, with the exception of Rix and Woodcock, had been able to cross the ball more accurately, but just over 20,000—5,000 fewer than the Arsenal break-even figure—turned up on a beautiful day in warm sunshine. This hardly supports the plea for summer soccer, or substantiates the claim that bad weather keeps the fans away. The total League gates were the lowest September figure since the war.

The drop in attendances are accompanied by a slump in supporters' club pools contributions—down 46 per cent over the country at last assessment. Why has this happened?

This is where my three week-end events come together. They show a change in entertainment tastes. Television has conditioned us to demand the best. We can sit at home and watch top-grade entertainment without the "aggro," bad language and discomfort of the football ground. And we don't have to spend a lot of money, either. My cinema seat cost £2.10.

The average price for a seat in a First Division ground is about £4—the cheapest is £2.70 at Stoke and the most expensive £6 at West Ham. Although south and midlands prices are noticeably higher than in the north, nowhere can football be regarded as a cheap afternoon out for the family.

Predictably many chairmen of the more fashionable clubs, like Peter Hill Wood of Arsenal, Arthur Richardson of Spurs and John Smith of Liverpool, will be calling for that exclusive super League at tomorrow's Football League management committee meeting.

But which teams should make up the Super League? The logical financial criterion would surely be to choose those clubs who, over the years, commanded large home crowds — Manchester United, Arsenal, Aston Villa and Liverpool.

If this approach was followed then Sheffield Wednesday must be a better proposition than Norwich, Newcastle than Norwich, Newcastle than Watford, and Birmingham than Luton. It would also be difficult to include Nottingham Forest, who had only 11,500 for a key fixture last Saturday, or Notts County, who have been drawing even less. This brings up the question whether a city the size of Nottingham can adequately support two First Division teams.

Although the League clubs have been forced by falling gates, escalating costs and high wages to turn more to commercial sponsorship and the pools for extra revenue, the trouble is that too many are able to take their cut which obviously reduces the value.

Now that the big clubs are having their own financial difficulties, they can no longer afford to subsidise the small ones, which is what is happening with revenue from television, the football pools and the new Milk Cup.

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Saturday September 25 1982

Not in our end of the boat

A MEMORABLE pre-war cartoon by David Low showed the then heads of state huddled in a small rowing boat in a stormy sea. At one end assorted Balkan and other characters were baling desperately. At the other, a collection of silk-hatted characters were scanning the horizon.

"Thank goodness" one of them was remarking "the leak isn't at our end of the boat."

A modern version of the same cartoon would no doubt show Mexicans, Argentinians and leaders of the non-oil developing world trying to stem the incoming water, with a bit of help, perhaps, from the French, the Dutch, the Danes and the Irish, but the silk-hatted group trying to talke a calmer view would not be very different.

Politicians struggling with their domestic problems will always fall all too easily into the fallacy Low illustrated, but an economist is forbidden by his discipline from taking this closed-economy view to its extremes. Thus a Government adviser, talking this week about the considerably easier prospect for domestic policy—real incomes rising, borrowing under control, inflation and interest rates coming down—still conceded this his model could not deliver correspondingly easy answers.

Underlined

It has a section called "the world" which covers external trade and the like. "The world," he admitted ruefully, "is dreadful."

That dreadfulness was rather sharply underlined yesterday with the appearance of the latest trade figures. The visible balance, other than oil, which has been pretty near equilibrium for some time past, showed a deficit in the past three months of nearly £1bn.

The explanation this time was not in the relentless rise in imports which has so worried trade unionists and the Cambridge school of economists for 20 years or more; imports are down a little. It was a sudden 8½ per cent drop in the volume of exports. If the new figure represents a trend—and it has been presaged in a whole series of surveys by the Confederation of British Industry—it represents a major leak in our own end of the boat.

Over the past two years, in an already declining economy, industry has suffered a loss of £4.5bn, or something of the order of 5 per cent of its output, in net exports (the difference between exports and imports).

What it amounts to is that having suffered our own grievous recession—the worst in half a century—we are now importing still further recession from the outside world, as an open economy cannot help doing. The recovery in consumer incomes and spending is leaking away.

Celebrating

The stockmarket, which has been celebrating the improved domestic outlook, has had its attention drawn to these outside influences in a most painful way, in a series of grim warnings about profits and trading from major companies. The contrary influence of Wall Street, which is still recovering from its desperately depressed real values, has kept share prices wobbling in a relatively narrow range but it still looks vulnerable.

As interest rates fall, the yield on equities is also likely to fall; but if this results from a new squeeze on profits and dividends rather than a rise in price, a more fundamental reappraisal may be set off. We suggested a few weeks ago that falling interest rates resulting from world recession could set off a cult of the gilt; but the very forces which are bringing down interest rates and inflation are bad news for industry everywhere.

In one respect we are indeed fortunate. Thanks largely to the revenue from North Sea oil—which is itself dependent on the continued effectiveness of the Opec cartel in propping up prices—the Chancellor should have something to distribute to the economy in his next Budget—eggs which speculation is eagerly counting in the nest. This should give us some local protection.

Deflationary

In the world outside, however, policies are if anything turning more deflationary, with an austerity budget in Holland, a new coalition in West Germany after the old one split over spending cuts, higher taxes in the U.S., and developing countries forced, whether or not they turn to the IMF, to trim their imports and consumption to the sharply reduced credit funds now available to them.

A financial reconstruction which would make possible a very large further fall in interest rates could resolve this dilemma, but is scarcely even under consideration at present. Failing such a fall, the isolated protectionist agitation now seen in the U.S. steel industry, or in our own transport workers' threat to bar imports of the new General Motors small car, could become a mass movement.

Saw off our end of the boat and turn it into a raft! It is a desperately inefficient way of getting along, but in desperate times, it can be a dangerously appealing idea.

UK AND U.S. RETAILING

Why Woolies got left behind

By David Churchill, Consumer Affairs Correspondent

THE first law of successful retailing in both Britain and the U.S. is simple: "know your customer and change your business accordingly as spending habits change."

Yet it is this fundametal law which F.W. Woolworth on both sides of the Atlantic has consistently flouted over the past two decades. The result has been the steady slump in the fortunes of one of the world's largest and most famous stores chains.

It culminated this week in the American parent company's decision to close its 336 Woolco discount stores in the U.S. as part of a major group restructuring and to open negotiations which could lead to the hiving off of the 1,000-store UK Woolworth operation.

Frank Winfield Woolworth, the farm boy from upper New York state who started it all more than a century ago, would turn in his grave. Winfield was a brilliant retailing entrepreneur.

He was so successful, however, that his inheritors have been able for the past three decades to live off the fat he created. Malcolm Samuel, a leading UK retail analyst with Pember & Boyle, says that there "has been a resistance to change on the part of the mangement who have, implicitly or otherwise, consistently sought to defend the status quo."

Woolworth has singularly failed to keep up with the patterns of retail change in both Britain and the U.S.

Woolworth's has almost 1,000 High Street stores in the UK and some 1,300 in the U.S. (Pre-tax profits in the UK in the last full financial year were £21.8m, compared with £36.4m in the previous year. In the U.S., net income last year was halved at $81m compared with $161m, previously.) The bulk of these are variety stores where a jumble of household and consumer products uneasily rub shoulders. When Frank Winfield first invented this "bazaar" type format it was novel: now it is outdated.

In both Britain and the U.S. the structural trend has been away from variety stores—towards discount stores in the States and multiple store specialists in the UK—while consumer tastes have moved away from Woolworth's product range.

In Britain, some 350,000 retail outlets generate about £59bn of sales a year. The trend over the past two decades has been towards specialist multiple stores, such as Boots, Mothercare, Hepworths, Marks and Spencer, Dorothy Perkins, and Dolcis. Just over half of all retail trade now goes through such mutiple stores in the UK, compared to about a third, a decade ago.

The main victims have been the small independent retailers. Ten years ago they had the largest share of the UK market, but now only about 30 per cent of the trade goes through them. Trade has also been taken away by the multiples from the large departmental and variety stores, which have about 7.5 per cent of retail trade (compared with about 10 per cent ten years ago).

The stores have not lost market share as fast as the small shops — who were very vulnerable in the face of buying power of the multiple chains. But the decline of the departmental-type stores continues steadily. Woolworth's market position lies at the bottom end of this sector: it offers a bewildering variety of goods in many different areas and, while dominant in many of them, has no firm market image in any one area. Some of the more up-market department stores, such as the Debenhams chain, have also failed to capture a strong market image or meet the trend towards increased specialisation that the consumer has sought from multiples. But others, for example, Selfridges and the John Lewis Partnership, have prospered.

In the U.S., where total retail sales are about $1,000bn, the departmental stores have also suffered, although more at the hands of fierce discount competition than from the rise of specialist UK-style multiple retailers. In the early 1960s, for example, the department store sector had the largest market share in the U.S.—stores such as R. H. Macy and the stores, including Bloomingdales, which form part of Federated Department Stores. General merchandise chains, such as Sears Roebuck and J. C. Penney, had the largest share, followed by very basic discount department stores where price and price alone was the dominant characteristic.

Yet now it is these discount department stores which have risen rapidly in market share over the past ten years at the expense of the traditional department store format.

The growth of discounters in the U.S. began in earnest in the 1960s when Kresge, a traditional variety chain (similar to Woolworth) moved into the sector. Kresge, which has subsequently become the K Mart Corporation, offered heavy price cuts but also positioned itself up-market from the basic discounters. K Mart has subsequently developed as the largest discount department store operation although its growth has slowed slightly over the past few years.

The mainstream department stores have also moved into the discount market over the past decade by setting up new chains, the largest and best known being the Target chain owned by the Dayton Hudson Corporation.

It is not only structural patterns that have changed in both Britain and the U.S., but consumer tastes have also grown more sophisticated. In both countries living standards have been rising steadily in the past two decades, helped by the increase in numbers of working women.

The increase in households with two incomes has, even during a recession, steadily increased the amount of disposable income with families in both countries acquiring more large consumer durables, buying more expensive clothes, and taking a second holiday.

Woolworth's product range, however, has tended to be in the main low-value items — it started, after all, as a store where all items were only five or ten cents—and has never successfully made a concerted move up-market.

Where consumers actually prefer to go shopping has also changed, to the detriment of Woolworth's High Street locations which, in the UK, were basically established by the 1950s. Since then, car ownership has grown rapidly, making the High Street—especially in large City centres—less popular places to shop.

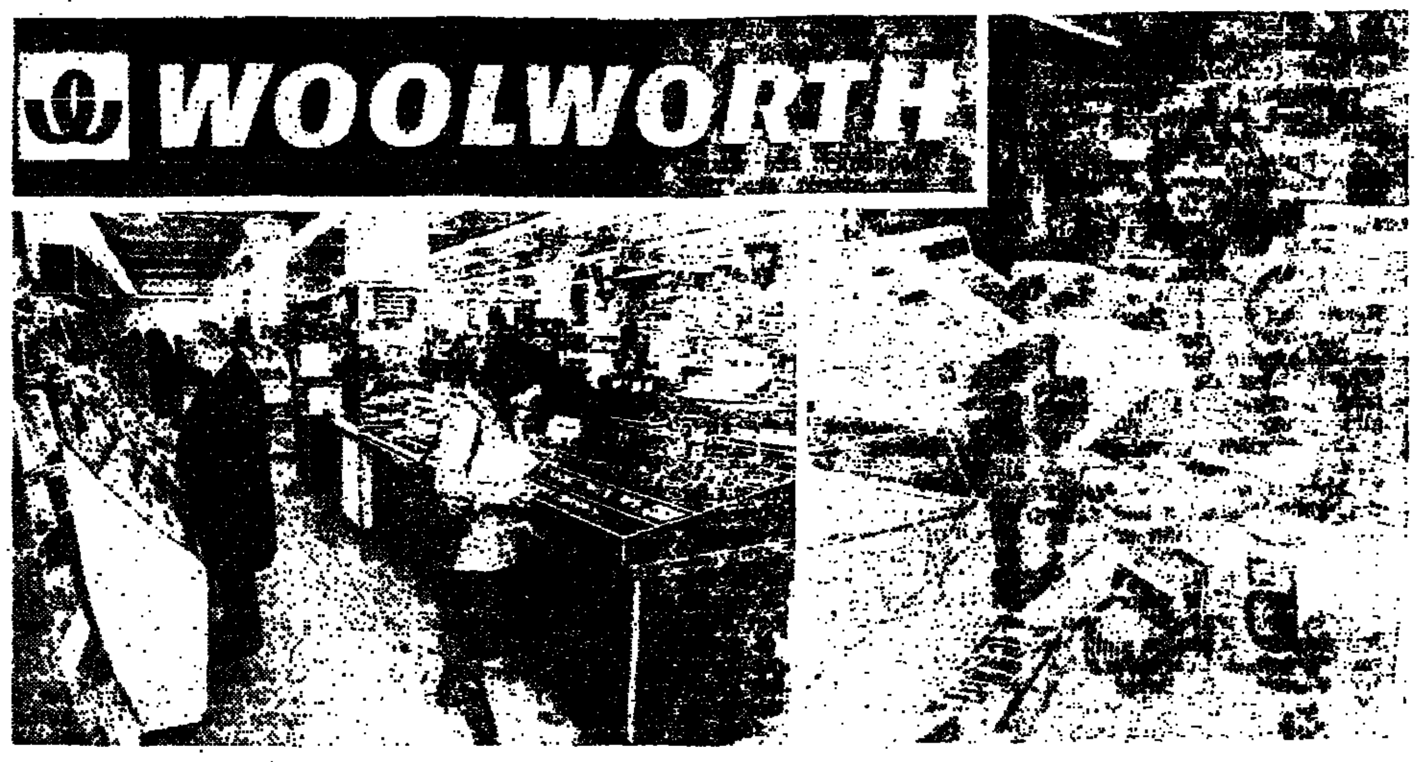
Woolworth's has tried to match the trends in retailing—but always too little and too late. Thus in the U.S. it followed the discount trend with its own chain of Woolco stores, while in the UK it has sought to try some speciality retailing with fast food, shoes and sports outlets. But it fundamentally cannot—or will not—get away from its inheritance.

Yet Marks and Spencer in the UK has shown just what can be done by creating a firm market image and by efficient management. Its UK sales of £1.1bn are twice those of UK Woolworth, even thought it operates from only a quarter of Woolworth's outlets. Analysis of the 1980-81 financial positions of both retailers highlights the difference: Woolworth had sales of £96.50 per square foot of sales area, compared with £271.40 for M and S. Marks' gross margin was more than twice that of Woolworth's, while operating profits per square foot of selling space was £1.60 for Woolworths and £23.10 for Marks.

If Woolworth in the UK is to survive in anything like its present form, then drastic steps will still have to be taken, according to other retailers and City analysts. Such steps would include a major slimming down of the number of stores—probably by as much as half—and a severe reduction in the variety of products offered. Woolworth's will also have to find a new market niche rather than trying to be all things to all consumers.

Another possibility could be to move sharply down-market and go back to very low priced merchandise—"Nothing over £10" could become the new slogan.

But whatever steps are taken it will still be a long haul back to retailing success.



TOP FIVE NON-FOOD RETAILERS UK

	Turnover £bn
1. Marks and Spencer	2.2
2. Great Universal Stores	1.8
3. Boots	1.5
4. Littlewoods	1.1
5. F. W. Woolworth	1.1

TOP FIVE NON-FOOD RETAILERS U.S.

	Turnover $bn
1. Sears Roebuck	27.4
2. K Mart	16.5
3. J. C. Penney	11.9
4. F. W. Woolworth	7.2
5. Federated Dept. Stores	7.1

THE PROBLEMS OF A MASS DISPOSAL

HOW CAN a major British retailer like F. W. Woolworth own properties valued at almost £500m (and a four-year-old valuation at that) and yet command a stock market valuation of only £220m when the company's shares were temporarily suspended this week?

The rather cruel but simple answer, commercial property analysts will tell you, is that Woolworth is not good enough for the properties and locations from which it operates.

It would seem reasonable to assume, therefore, that the prospect of realising some of the value locked away in Woolworth's portfolio of high street stores would form a key element in any successful bid for the company.

Equally it would be unrealistic to expect any purchaser, seeking to make the Woolworth's assets sweat, to turn this into flood of retail properties coming onto the market. In the first place the market would have difficulty in absorbing such a mass disposal, while the costs of such an exercise, including redundancy payments, would be extremely heavy.

Commercial logic would therefore point to a purchaser of F. W. Woolworth, retaining a stable retailing operation while a disposal programme would need to be carefully handled.

Woolworth undoubtedly operates from some very attractive retailing locations. There are, however, considerable variations in terms of both size and quality among the more than 1,000 stores in the Woolworth portfolio.

It is also not the easiest of times to be thinking of retail disposals. A number of Woolworth shops might best be described as "mini-department stores." The number of retailers which would be able to cope with stores of this size, and are presently in a position to consider expansion, are limited.

Woolworth stores, also, have a tendency to be deep rather than wide; with narrow frontages. This makes them difficult to break-up into smaller shop units and limits the scope for redevelopment.

In the past 12 months, Woolworth itself has announced plans to sell 31 of its stores, scattered around the country. The mixed response from the market to the sales is perhaps indicative of the reaction that might be expected to a large scale disposal programme.

About half-a-dozen of the 31 properties have been sold and some have fetched very good prices in the face of stiff competiton among would-be purchasers. Others, however, appear to be dragging their heels.

Stores sold recently include Woolworth's 9,559 sq ft store in Bromley High Street, bought by Sears Holdings for a price thought to be more than £5m. Sears intends to redevelop the site along with three adjoining Bromley shops already owned by Sears. Woolworth was able to squeeze extra value out of the site because of its potential for redevelopment.

Other units sold include Woolworth's Cornmarket Street store in Oxford, bought by Arrowcroft Investments. In Edinburgh, Woolworth is set to raise around £11.5m—compared with a reported asking price of £13.75m—for its 60,000 sq ft store in Princes Street, being bought by Boskalis-Keys.

Andrew Taylor

Letters to the Editor

Inquiries

From Dr M. Mowlam

Sir,—Professor Fells (September 18) emphasises the need for a university energy institute to provide an uncommitted balanced appraisal of particular energy problems such as the costs of nuclear power. An energy institute, he believes, would be superior to public inquiries, which are not only costly and time-consuming but benefit the legal profession and not the public.

Yes, in an area as important as energy, a university institute to help critically evaluate and analyse the plethora of information would be very valuable. But why should an energy institute be an alternative to public inquiries? The central importance of a public inquiry is to provide a forum for the public to participate in decisions which directly affect them. That rich and powerful interests benefit from the present system of inquiries is not an argument to abolish them but rather to democratise the system for appointing inspectors and to provide government funding for participants.

Public inquiries and a university energy institute would not serve exactly the same function and are certainly not mutually exclusive. A political decision on energy or any other topic demands not only an evaluation of available data, but also, in a democracy, some feedback from the public.

Dr Marjorie Mowlam,
Department of Politics,
The University of Newcastle upon Tyne.
Great North Road,
Newcastle upon Tyne.

Participation

From the Adviser, Industrial Relations Department, The Industrial Society.

Sir,—May I add a footnote to John Elliott and John Wyles' useful article on European employee participation September 17. That date was, of course, the closure date of the Government's consultation on proposed UK legislation on employee involvement.

These proposals, that larger companies should state in the annual directors' report what they are doing on the provision of information to employees and consultation with them and their representatives, is a vitally important practical prerequisite to more high-flown European flights of fancy. It has the great advantage of both counteracting suggestions that in this country we have done nothing and also providing a corpus of evidence that will enable any future European initiatives to draw on.

It is so important that any proposals in this area are based on what is known to work at grassroots level and not an importation of a European model —however alluring the design.

John Wates
Peter Runge House,
3 Carlton House Terrace,
SW1.

Imports

From Mr J. Wright

Sir,—I would like to comment on the recommendation of the Association of British Chambers of Commerce, that Japanese imports should be reduced to 3 per cent per annum if Nissan does not build a factory in the UK.

Some years ago a "voluntary" limit of 11 per cent of the annual market was imposed on the Japanese with the sole intention of protecting the British motor industry. While the Japanese have held their share, however, the EEC producers have increased theirs considerably, even to the point of us now accepting vehicles from Spain, South Africa and the Comecon countries with no reciprocal arrangements whatsoever. The British motor industry share has in fact fallen over the last five years. What does the ABCC suggest we do about these imbalances?

Furthermore, the ABCC report does not appear to discuss the reason for Nissan's reluctance to build a factory in the UK, but let me just pose three questions:—

If you were executives of Ford, Leyland, Talbot or Vauxhall, would you want a Nissan factory?

Why did the CBI, Sir Michael Edwardes and others insist that any Datsun built in this country must have an 80 per cent local content, when most Fords, some Vauxhalls and the Triumph Acclaim have not?

How far were the unions willing to commit themselves to the success of the venture by ignoring the restrictive practices seen elsewhere in the UK motor trade?

Does the ABCC not realise that the real failure in this affair has been created by the pressure exerted by these various groups and that free and fair trade will not be possible until true competition is allowed to exist?

J. Wright.
Triad Garages,
Estcourt Terrace, Goole.

Divestment

From Mr J. Burrows

Sir,—Lloyd's underwriting members will have read the working party's consultative paper on ownership and control of underwriting agencies which manage insurance syndicates.

When divestment was considered in parliament a value of £100m was put on these agencies. If the voting shares were required to be taken up by each of the 20,000 Lloyd's members in proportion to their underwriting participation in the agency's syndicates the average cost to each member would be £5,000—surely within their means to acquire. A value would need annually to be put on each agency's shares so that an increase or reduction of underwriting by a member would involve buying or selling shares proportionately. Such a system would seem to achieve all that is required for full divestment. The interests of names who provide the capital would be fully recognised, as well as those of the working members, and conflict of interest would be eliminated.

Since members' underwriting capacity is limited by Lloyd's, no one member should be able to become a dominant shareholder with voting control. All members have satisfied Lloyd's "criteria of character and suitability" on election, and they will be subject to the council's rules and regulations.

Thus underwriting control will be 100 per cent in the hands of underwriting members of Lloyd's in proportion to their participation, needless bureaucratic administration will be avoided, and full divestment achieved.

J. D. Burrows.
Copyhold,
Bury,
Pulborough, West Sussex.

Capital

From Mr R. Oakeshott.

Sir, — Samuel Brittan (Jobs and the price of bananas, September 16) may be interested to learn that where capital and labour are not at loggerheads, it is possible to secure sacrifices by those lucky enough to retain jobs and a real measure of solidarity between the employed and the unemployed.

I refer to a set of arrangements for the provision of temporary unemployment benefits introduced last year by the social security organisation, Lagun-Aro, of the group of Mondragon co-operatives in the Basque provinces of Spain.

For any of its laid-off workers to qualify for Lagun-Aro's benefits, a co-op in the group must satisfy a whole series of tough conditions. The most eye-catching of those is one which links the perecentage of the workforce in receipt of benefit with a percentage reduction in their income rates on the part of those who remain employed.

up to 10%*	10%†
12%*	12%†
20% or more*	20%†

* Percentage of workforce receiving temporary unemployment benefit.

† Percentage income reduction which those remaining in work must accept.

A more general point is perhaps in order. A shift on the relative share of value added going to profits on the one hand and wages on the other—a desirable flexibility in terms of Mr Brittan's objectives—is clearly much easier to achieve in a worker owned business than in a conventional capitalist one. Again Mondragon can provide a striking example. Most of the co-operates voted last year to capitalise a significant part of what the worker members would otherwise have received as cash income. The amounts per head were in the range £250-£750 depending on rates of pay.

Robert Oakeshott.
9 Poland Street, W1.
Job Ownership.

Kroners

From Mr M. Lewis.

Sir,—The article by Rosemary Burr ("Don't be caught by the kroner") (September 18) merits comment if only to correct some of the assertions she makes regarding the performance of the Danish kroner and the overall strength of the Danish banking system.

The kroner's high point for 1982 was not 13.275 but according to my records from the daily quotations from the Danish central bank the 13.976 recorded on January 13. In fact the kroner has traded in the range of 14 to 14.50 for most of the first half of 1981, that is, a range of around 4 per cent which means that with Jyske Bank currently paying around 8 per cent more than the present yield on a typical building society deposit account there is some considerable gain even allowing for currency fluctuations.

Likewise your correspondent notes that UK depositors are not covered in the event of a foreign bank going bust. While this is technically true some brief research into the Danish banking system would have calmed any worries which have been additionally conveyed to readers through this article. Not only are Danish banks subject to the strictest capital and liquidity ratios in Europe (and possibly the world) respectively 8 per cent and 15 per cent, but additional legislation limiting banks to purely bank related activities plus scrupulous foreign exchange regulations expressly prohibiting speculation (one of the reasons why the Danish kroner has recovered so smartly during the past ten days) ensure that depositors need not fear a Penn Square or Banco Ambrosiano type situation in Denmark.

I concede the fact that foreign institutions promising a "constantly high return" would be better suited by stating that these deposit accounts are an investment and that their value can go down as well as increase in value.

Your correspondent, however, in mentioning that Jyske Bank intends to set up a representative office in London indirectly gives one of the best safeguards for any potential UK investor. Jyske Bank intends in all probability to convert its office to a full branch and it is hardly likely that it will do anything to jeopardise its goodwill with a central bank under whose rules and legislation it will become subject.

Mark F. Lewis.
Odenplan 8;
Vellinge,
Sweden.

مكتبة الأصل

Duncan Campbell-Smith reports on how the trade in post-dated cheques got out of hand

Kuwait's great $70bn paper chase

OVER THE last two years, a group of young men in Kuwait have written an entirely new chapter in the history of funny money.

It was in March that the friends of Najib Al-Mutawa persuaded him to take on an accountant. Najib has been a familiar figure buying and selling shares in Kuwait for the past seven years.

What the accountant saw, after several weeks of sorting out a chaotic mass of personal records by the sackful, was that post-dated cheques worth no less than KD 5.65bn—about £11.3bn—had passed through Najib's hands with a net deficiency probably exceeding KD 1.5bn, equivalent to £3bn.

Najib has a cousin, Jassim Al-Mutawa, who used to earn KD 250 a month stamping passports in Kuwait's immigration department. By July, he is reliably understood to have stamped his signature on post-dated cheques worth nearly KD 3bn, leaving a net deficiency of about one third that amount.

The discovery of the predicament of these two spendthrift individuals over the summer has triggered the collapse on an epic scale of a market at once unofficial and totally unregulated—a market which thrived on post-dated cheques to sustain that most sophisticated of all trading bargains, the future contract.

In a market place as far removed from the futures exchanges of Chicago as it is possible to imagine, enough contracts have been exchange to leave Kuwait today swamped with outstanding post-dated cheques. They have an estimated gross value, almost incredibly, of KD 20bn—equivalent to nearly $70bn, or roughly the entire national debt of Mexico.

There are echoes even far-off of the South Sea Bubble—another great market boom which flourished in coffee houses and then ran away with itself, in the tiny City alleyways between Lombard Street and Cornhill in 1719-1720.

Above all, the affair provides a rare opportunity to glimpse the inner workings of that most remarkable creation of the modern economic order — the super-rich petrodollar sheikdom.

On the one hand, and despite a massive dislocation of their traditional economies, the Gulf states remain profoundly attached to the traditional values of Arab society. Kuwait's present predicament is one result of this, a financial hybrid of the old and the new.

On the other, after nearly a decade of multi-billion dollar surpluses, the private wealth in a country like Kuwait, with just 1½m people, is truly staggering. If there are few countries in the world which could have hosted the present debacle, there are certainly fewer still which could face its aftermath—like Mr Bunker Hunt reviewing his silver losses—with relative equanimity.

Indeed the *absence of one single sign of panic* is most remarkable in Kuwait today, whether you look into the evening Souk, the offices of government ministers or the views of private individuals.

Any explanation of this confidence must first detail the events which littered the country with cheques enough for a great paper chase round half the Arabian desert.

The story began in late 1977, after an earlier boom and collapse in prices on Kuwait's official stock market. The government launched a successful KD 150m rescue operation. Then, in the mistaken belief that it would help to preserve an orderly market, the Government restricted the supply of new shares.

But the private sector's demand for domestic investments went on growing just the same. *Within months*, to satisfy this demand, the first of a long series of companies was launched in Bahrain and other Gulf states to the south of Kuwait.

Most were hundreds of times oversubscribed as Kuwaitis fell over themselves to buy the new shares. And once launched, the shares quickly found their way to Souk Al-Manakh, a ground floor shopping area in one of Kuwait's less august office blocks. Here evolved the unofficial stock market which has created so many problems this summer.

Prices soared. There are bathrooms in some of Kuwait's most de luxe hotels where the red and *blue taps produce equally hot* water in the summer time. And in the Souk Al-Manakh the shares you bought seemed to make just as little difference. Everything was a hot deal—not for days or even weeks but whole months on end.

"Bahrain International Bank, a new issue only six months ago for example, climbed 270 per cent in a matter of weeks.

By early 1981, everyone and his brother in Kuwait wanted to buy shares. Western ex-patriates pushed money into the market, using Kuwaitis as agents. (Most of the companies have by-laws restricting ownership to Gulf nationals.)

In the 40 brokers' offices of the Souk, dealers quickly identified two potential constraints. Both were dispelled with consummate ingenuity, mostly as they were in Garraways coffee house in the City of London 260 years ago.

First, booming prices threatened to kill off the "penny stocks" always so attractive to small-scale investors. One Kuwaiti dinar is worth £2 or 1,000 fils. Gulf shares of a few hundred fils enjoyed a useful advantage over stocks in the official market, typically quoted at KD20-30. So the brokers used some fast financial footwork to keep it that way.

Gulf Real Estate, to cite one of several instances this year alone, had a busy day on March 29. It gave a one for three bonus share issue, then a two for three rights issue and topped things off with a three for one stock split—*all on the same day*.

Second, the brokers — and their major customers—began to find their supply of cash resources drying up. The commercial banks simply could not lend fast enough to keep up. At this point, the celebrated post-dated cheque began to make an impact.

Broker A would arrange an immediate unsecured loan to trusted *customer B, in effect*, by agreeing to find someone in the market ready to sell shares to B in exchange for a post-dated cheque—and broker A would then purchase back these shares for cash.

Increasingly, the Souk began last year to provide the basis of an entire illicit credit system, beyond the control of the banks or the Kuwaiti authorities.

A growing number of investors became the proud owners of a post-dated cheque representing a share sale with a sizable paper profit.

The size of this profit reflected the premium demanded by them for the onus of accepting a future payment rather than cash. Herein lay the snag—for the premium naturally committed the buyer, customer B, to a continuing rise in the price of the underlying stock if his future liquidity was to be assured. Premiums soared to literally hundreds of per cent against the spot price.

There is little need to record at length the events that pricked this bubble. A final frenzy of buying in April, some profit taking, a few Iranian brigades in Iraq, the mounting antagonism of the authorities and the misfortunes of Najib and Jassim finally did the trick . . . the network of post-dated cheques began to unravel at the end of July and share prices in the Souk plummeted through August.

It now remains to explain how the Kuwaiti Government intends to clear up the mess—which to a large extent it anticipated during discussions of proposed market reforms between February and June this year.

Mr Abdul-Latif Al-Hamad is Kuwait's shrewd and powerful Finance Minister. He has just returned from chairing the IMF meeting in Toronto, where he says he had to spend many evening hours on the telephone with his ministry officials. They plan to attack the problem—"there will no rescue," says Mr Al-Hamad—in three stages.

First, all the outstanding cheques will be registered — perhaps KD 20bn worth of them. Next, the authorities will clear as many cheques as possible with the full benefit of netting and liabilities. They expect this to expose net deficits off each individual's assets *of about KD 7-8bn*—representing cash "overdrawn" from the system, that is to say, and expended elsewhere by the individuals concerned.

At this point, the Government intends quite arbitrarily to discount the face value of all the cheques by an amount equivalent to 80, 90 or even 100 per cent of the forward premiums they were written to include. Those that can then possibly be paid—if not without some cajoling—will be settled. Those that cannot will be set to one side.

Mr Al-Hamad thinks KD 2bn might be a reasonable estimate of this residue's total value. The authors of these cheques "will certainly go to gaol." And the recipients—expecting profits to the tune of a total equivalent to nearly $70bn—will have to take their losses.

This might be thought a remarkable strain upon the social fabric of a country of only 1½m people. But almost no-one in Kuwait appears to fear for the consequences. It will be, says Mr Al-Hamad, "a bad experience but part of the growth process."

A primary clue to the presumed strength of that social fabric lies in the very nature of the post-dated cheques themselves. For the fact is, post-dating in Kuwait is a legal nonsense.

The country's banks must honour cheques as and when they are presented. Their date has always represented nothing *more than a seal on the personal* understanding between the two parties to the cheque. *Yet the system lasted almost two years.*

This extraordinary degree of mutual trust and business informality will now be drawn upon to support an equally informal solution by consensus. And it will be reinforced by the strong undercurrent of paternalism exercised in Kuwait by a dominant dozen or so *traditional ruling families.*

Finally, the Kuwaitis are probably right in their assessment that their's is a society able to absorb the problem. It still consumes a ton of gold a month and should indeed have little trouble writing off putative profits of several billions over the next year or two. Everyone always knew, after all, that it was only funny money.

Inside the Souk Al-Manakh, dealers wait hopefully for better times . . .

Terry Kirk

Weekend Brief

Dick Francis focuses on the City

Even at this distance you can hear impatient snorts from followers of novels about horse racing "over the sticks," especially as we are now in the early stages of the 1982-83 National Hunt season.

Dick Francis fans are lining up in their starting-stalls again, ready to race for his latest story.

They will fret and fuss until *October 11, when the publishers* raise the tapes and *Banker* starts jumping over best-seller lists. The new book has already cleared jumps which include a Crimewriters' Association Mystery Guild selection, a W. H. Smith "Top Twenty Title," and a Reader's Digest Condensed Book.

Pan Books paid more for paperback rights than for any other tale — 21 of them now — in the Francis stables. The U.S. publishing house of Putnam has placed $200,000 worth of action on an American edition scheduled later this year. It is better than even money that punters and punsters alike will be cheering a winner.

City types may twitch; rolling their eyes at a title which might seem to suggest that commercial success as a writer of horsey thrillers has somehow conferred upon a man who was the Queen Mother's jockey sufficient financial acumen to audit, stumbles and spills—imaginary of course—at Baring Brothers or Warburg's.

Dick Francis, who works into his racing stories a particular profession for each hero—*Reflex* featured a photographer, for example—settles here upon merchant banking.

Members of the "square mile club" may relax more readily with the book for an assurance that *Banker* refers to "banker bet": in racing jargon, a well-fancied runner for guys and dolls who count on recouping their losses—bets blown on the first five races—in a single golden gallop to a win. City theorists (a bragger in Damon Runyon parlance) get this sort of tip straight from the horse's mouth.

Dick Francis will return from South Africa, where he is promoting the book, in time for publication day; and for three races on October 13 at Plumpton which his publishers have sponsored in his honour. One of them is a Memorial Steeplechase Handicap commemorating the late Anthea Joseph, former chairman of Michael Joseph. She had edited Dick Francis for 20 years. The two other sponsored races respectively celebrate his latest book and its immediate predecessor; this season, *Twice Shy*. There will be a splendid lunch; and Dick Francis will present the prizes; together with signed copies of his new book to jockeys and lads, trainers and owners, of winners on four legs.

Lord Chesterfield, lecturing his son by letter in April 1749, listed "horse-races" among "pleasures that degrade a gentleman." Few would endorse the censure; certainly not a gentleman who was Champion Jockey in the 1953-54 season, rode the Queen Mother's Devon Loch in the 1956 Grand National (the horse fell a few steps from victory), and wrote an autobiography called *The Sport of Queens*. Racegoers would laugh at his late lordship. So would millions of fans reading Dick Francis thrillers in English, Swedish, Dutch, Icelandic, Czech and Japanese. And so *also*—it may be safe to bet on it—would a Queen or two.

Banker published by Michael Joseph, at £7.95.

Francis despondent after his horse fell in the 1956 Grand National

Las Vegas feels the squeeze

At first glance there is nothing to suggest that Las Vegas is going through a bad patch these days. The neon in this brash desert city does not just glow, it glares. The blackjack tables still operate night and day; the star names still litter the billboards; the hookers still cruise the Strip in voracious shoals—but Las Vegas is nervous. Used to a growth rate in visitors of around 20 per cent a year this great monument to self-indulgence is having to make do with 7 per cent.

Nevada's gambling take was up only 5.5 per cent last year, much less than inflation and indicating that visitors are spending less these days.

But "less" is hardly a word which leaps to mind in Las Vegas. The city still reckons to get $5bn a year from its tourists. *They leave* their money in the casinos, the bars, the shows and the restaurants. The problem is that they are not leaving enough now. At least one hotel on the Strip is trying to renegotiate its mortgage and most are trying to cut back on the huge sums paid to the stars who feature in most of the shows.

Part of the Las Vegas problem is that it is a long way from anywhere. When air fares rise, petrol prices hurt and customers have less leisure cash anyway. Vegas has to fight for business. It is hardly a secret that the new East Coast gambling centre of Atlantic City has soaked up some of Nevada's traffic. Most of the 20 per cent growth in American gambling this year (to a projected total of $4bn) will go to the New Jersey resort.

But Vegas is also finding that the number of people who can just dump the kids for a week and head for the tables is falling. Today's visitors want a place where the sub-teens can be happy too. When a family can take only one holiday a year they may give Vegas a miss and head for the beaches instead.

"Our competition is Disneyland and the economy," says the head of the Vegas Hotel Sales Managers' Association, Mr Tom Jones. "As our competition changes, we have to change. *Las Vegas has been* standing still."

So Vegas is planning a series of moves to make sure the goose does not stop laying golden eggs. Within a couple of years *work will start on a* "theme park" to rival Disneyland. Vegas also wants federal approval for a duty free zone so that foreign exhibitors at its exhibition centre (the biggest in the world, of course) can bring products in without customs problems. And, above *all*, the city is edging its way towards a 250 mph rail link to Los Angeles that would put Southern California only an hour away.

A $270,000 study of Japanese, British and French high speed rail systems, as well as domestic offerings, has now recommended one called the Maglev. It suspends the *carriages magnetically and* whisks passengers along an elevated trainway. With the rail link, the new attractions aimed at children and a hefty further push at the convention market, Vegas *is planning a major come*back. As Jones says: "We have realised that we are not the only show in town."

Rattling the Rolls-Royce network

The very rare occasions when a Rolls-Royce rolls down one hill and can hardly get up the next can be heart, and cheque book, clutching episodes.

That's not too surprising when the latest car, the Silver Spirit, costs £53,000. A basic engine alone will take care of £9,000.

Rolls is, of course, more generous with its warranty than makers of lesser breeds: it covers three years and 50,000 miles—and even after that it tends to take a generous view if something goes wrong that shouldn't.

But the Rolls is expensive to run, even when nothing goes amiss.

Four years ago, Peter Eatenton and Larry Hawkins decided that it need not be *quite* so costly, and rented a workshop bay in Chelsea to make their point.

The Chelsea Workshop, as their venture has become, now has 18 employees, services and mends 35-40 Rolls a week, and turns over about £400,000 a year—from the workshop, from a body repair plant opened more recently in Wandsworth, and a fledgling Rolls-Royce and Bentley sales operation which began recently.

The two men have rattled the official franchised network; in part because they are relatively cheap. A conventional 6,000 *miles service costs about £125*, just over half the charge at a franchised outlet, even though they have to buy their parts from Rolls-Royce distributors.

But that, clearly, does not *explain why on a recent* call to the Chelsea premises, two well-known and not exactly penurious public figures had just dropped off their cars for repeat servicing; nor does it explain what the sand-filled car with rather regal Saudi plates was doing there.

Hawkins and Eatenton refuse to discuss publicly either their customers by name, or the manner in which Rolls-Royce and its official distributors conduct their own businesses. *What they do concede is that* there is only one way of going about the job: as set out by Rolls itself, using only its parts.

Each has 10 years' experience as Rolls-Royce; both served their *apprenticeships there*. A basic condition of employment is that all their mechanics must be Rolls-Royce trained as well. Neither likes to talk about poaching, but . . .

The two men also believe that Rolls-Royce owners' pockets are not bottomless. There are, says Hawkins, a lot of people who can afford to buy an older model, but who can't really afford to run it.

Unquestionably, they have made inroads into what was once the most comfortable franchise in the world.

There was a time when Rolls-Royces sold themselves and fetched a premium of £10,000 and sometimes higher. Servic*ing and maintenance was also* a comfortable affair; the chauffeur took the car in and no matter what the bill the cheque was signed almost as a matter of course.

Not any more. Rolls-Royces are depreciating by £10,000 or more in their first year, and for the first time, too, dealers have been resorting to such ungenteel tactics as offering *interest-free* "hire purchase" and actively pushing for after-sales business.

Not unnaturaly Rolls-Royce says owners should go to its franchised outlets. "It's our *belief that an outsider's job* can't be quite the same—he doesn't get the workshop manuals or the regular service bulletins." But if it is not exactly prepared to help the Workshop, it does not seem inclined to hinder it.

Contributors:
Gay Firth
Arthur Sandles
John Griffiths

Economic Diary

TODAY: Mrs Margaret Thatcher continues visit to China.

TOMORROW: Mrs Thatcher visits Hong Kong.

MONDAY: CBI publishes monthly trends *inquiry* for September. EEC Employment Ministers start two-day informal meeting in Copenhagen. EEC Political Co-operation meeting, New York. United National General Assembly opens, New York. International Cocoa Organisation talks start, London. Labour Party conference opens, Blackpool (to October 1).

TUESDAY: New vehicle registrations for August. Overseas Travel and tourism figures for July. EEC Economic Committee *two-day plenary session* opens in Brussels. Health and Safety Commission considers regulations on asbestos use. Sea Fish Authority statement. West Midlands CBI statement on pay.

WEDNESDAY: Quarterly analysis of bank advances for mid-August. Second quarter figures for personal income, expenditure and saving. Industrial and commercial companies appropriation account. Election of Lord Mayor of London, Guildhall. Health and Safety Executive statement on fatal transport accidents. Mr Thatcher meets Mrs Indira Gandhi, Indian Prime Minister, in New Delhi

THURSDAY: Bank of England Bulletin published with second quarter figures for UK banking sector; financing of Central Government borrowing requirement; and the money stock. Energy trends. August final figures for unemployment and unfilled vacancies; employment in the production industries in July; overtime and short time working in manufacturing industries in July; and stoppages of work due to industrial disputes in August. Mr Gordon Richardson Governor of the Bank of England, opens London International Financial Futures Exchange, at Royal Exchange. Sir Kenneth Corfield, Engineering Council chairman, makes major policy statement.

FRIDAY: August final figures for car and commercial vehicle production. London gold futures market special meeting to consider changing contract currency from sterling to dollars.

Aurora swings back into the black

ALTHOUGH SALES fell from £58.78m to £55.25m, Aurora, the Sheffield-based general and precision engineer, has swung back into profit. In the first half of 1982, pre-tax profits were £283,000 against losses of £221,000 which increased to £5.24m at the year-end. No ordinary or preference dividends are again being paid.

Operating results from continuing operation, excluding Aurora Steels were lower at £3.05m, compared with £4.32m. Aurora Steels' operating profit was £108,000 against losses of £890,000. Group operating profit is after £414,000 (£28,000) of exceptional charges for redundancy in continuing operations.

There was a nil contribution from companies sold or closed in 1981, but this year there have been losses of £142,000 in this respect. As a result, trading profits were up from £2.3m to £3.02m.

Pre-tax profits include associates, £177,000 (£158,000), but was after interest charges up from £2.68m to £2.91m. First half tax was considerably lower at £316,000 compared with £753,000. Minorities again took £1,000. There was an extraordinary gain of £60,000 (£82,000), and exchange losses amounted to £170,000 (£515,000 gain).

The directors say demand remains low at Aurora Steels and the trading profit for the period is largely attributable to the effectiveness of the rationalisation programme.

The small forgings and flat products division at Regent Works, Sheffield, has continued trading at a loss and that operation will be closed on October 29. Government assistance will be available towards the costs, which are expected to be less than £500,000.

The board says it is continuing to attack the problem of borrowings by means of control of working capital, sale of surplus property and by divestment. However, borrowing remains well within limits and projections show that this position will be maintained within the foreseeable future.

It has confidence in the group's long-term prospects, but it is clear that recovery cannot take place without some improvement in the economy. Nevertheless, the action it has taken should enable it to maintain profitability.

Apart from Aurora Steel, the other UK subsidiaries traded at much the same level as in the corresponding period of 1981, say the directors. But as a result of cost-cutting actions, a more stable situation is now evident.

The overseas subsidiaries have been affected by the world recession and their results are lower than in the previous year. This is expected to continue at least for the remainder of 1982.

J. Stead's results continued to decline and it was sold during the half-year. Redundancies or other corrective measures have been implemented in all other subsidiaries where trading losses were being incurred.

In fact, say the directors, 12 companies were trading at a loss at the end of 1981, but cost-cutting actions taken reduced this to six for the first half of 1982. Further changes have been made, and this should be down to two by the end of the year.

There was a loss per 25p share of 1.77p—down from the previous year's 6.19p.

See Lex

DIVIDENDS ANNOUNCED

		Current payment	Date of payment	Corre-sponding div.	Total for year	Total last year
Adwest Group		6.15	Nov 19	5.4	8.25	7.5
Bankers' Inv Tst	5th int	0.75	Nov 30	—	—†	3.78
Dinkie Heel	int	0.15	Jan 4	0.25	—	0.45
Liberty	int	0.4	Nov 15	0.4	—	2.4
Macallen-Glenlivet	int	2.25	Nov 1	2.25	—	9.2§
Manson Finance		0.5	Oct 23	1.5‡	2	3§
R. and J. Pullman	int	2.78	Dec 17	2.78	3.81	3.81
Southampton, IoW	int	2.5	Nov 23	2	—	7.5
George Wills	int	2.5	Oct 15	2	—	6

Dividends shown pence per share net except where otherwise stated. * Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ USM Stock. § For 14 months. ¶ Making 4.68p to date in current 18 months period. ‖ For 17 months to December 31 1981.

Manson Finance turns in £1.4m

FOR THE year ended June 30 1982 pre-tax profits of Manson Finance Trust amounted to £1.39m, compared with £1.53m for the previous 14 months. Group revenue was higher at £8.07m, against £6.9m.

In view of the difficult economic climate, the directors regard the results as satisfactory, and say that the major contribution was again from Edward Manson and Co., the licensed deposit-taking subsidiary.

They add that all trading companies in the group showed a profit except the asset leasing subsidiary.

The directors say that the group continues to look to the future with confidence. It will develop its business, they explain, on the broader base which was created by the recent reorganisation into three main divisions, announced on April 30: property and mortgages; banking services; financial services.

Although earnings per 20p share, at the year-end, moved ahead from 4.5p to 5.8p, the dividend is reduced from 3p, for the previous 14 months to 2p net with a lower final distribution of 0.5p (1.5p). The directors say they intend to continue "a conservative policy in relation to the distribution of profit."

The directors explain that during the current year further material losses have had to be borne in connection with the initial portfolio of leased assets. Although the causes of the problem were dealt with at the end of 1981-82, it was found that further material provisions were required.

The leasing business now largely concentrates on the provision of leasing finance for users of agricultural equipment. The directors expect that leasing will also contribute to group profits in the current year.

At the midway stage with profits at £750,000 (£526,000) the directors said that Manson Leasing was the only unit in the group which did not contribute to group profits.

Profits for the 12 months were subject to much lower tax of £308,000 against £645,000. After minority interests amounting to £10,000, against £1,000, and an extraordinary debit of £582,000 (£8,000), the available balance emerged down from £877,000 to £490,000.

● comment

The Manson Finance earthlings lost their battle with space invaders and the penalty was a £582,000 extraordinary debit in these figures. The group has sworn off video games and is now in the broking side of the leasing business, which offers tax advantages. Above the line, the company has maintained profits on an annualised basis of comparison, although Manson is coy about breaking down the various contributions of its businesses. They do say that the major portion is again Edward Manson, a licensed deposit-taker which provides long and short term finance. Full banking status for Manson is some way off, and, indeed, may never arrive as the majority shareholding in Manson is held by a Malaysian-based privately-held financial conglomerate. That sponsor must be a bit impatient with Manson, what with its space invader troubles. The shares dropped 3p yesterday to 37p. At this price, the reduced dividend gives a yield of nearly 7.8 per cent.

Adwest up £0.37m at year end

SECOND-HALF taxable profits of Adwest Group fell back from £4.27m last time to £4.1m, but full year figures to June 30, 1982 were ahead at £6.17m, as against £5.8m previously. Turnover for the 12 months rose slightly from £77.92m to £78.29m.

Comparative figures have been adjusted to reflect changes in accounting policies relating to associated companies and investment properties.

The final dividend is being raised from 5.4p to 6.15p net for a higher total payment of 8.25p (7.5p) per 25p share. Stated earnings per share improved from 17.9p to 19.3p.

The pre-tax result included interest received of £70,000 (£57,000 paid). Tax charge was unchanged at £2.03m and after debiting minorities of £82,000 (£118,000) and extraordinary items of £353,000 (£961,000), profits available came through ahead from £2.69m to £3.7m.

Dividends absorb £1.69m, as against £1.54m, leaving a retained surplus of £2.01m, compared with £1.15m.

The group operates in the automotive, agricultural and industrial, electrical and engineering industries.

● comment

A few months ago, analysts were predicting pre-tax profits of around £6.6m for Adwest, but *stagnant demand, particularly in* the automotive industry, has brought them down to £6.1m. That is still a rise on last year's figure of £5.8m, but does not compare with levels of over £8m in 1979 and 1980. All the same, turnover was up this year, and the company is a net lender, with interest receivable of £70,000. All the divisions made a profit, except for the French subsidiary, which is in the process of being restructured. The property side, in particular, is going very well. The company has some spare cash and is on the look-out for suitable businesses to buy, preferably in the engineering or electrical fields. But until demand picks up, there is not much it can do to improve profits substantially. A fully-taxed p/e of 12.2 shows confid*ence in the market place.* At a price of 176p, the yield is nearly 7 per cent.

Higher midway loss by Liberty

ALTHOUGH SALES, excluding VAT, of retailer, merchant converter and wholesaler, Liberty, increased from £9.72m to £11.44m in the half year to July 31, 1982, pre-tax losses were up from £278,000 to £439,000.

Sales throughout the group have been and remain encouragingly buoyant, but the impact of the deepening recession on profit margins, and high interest rates continue to effect trading results, the directors state.

However, the group has managed to maintain a reasonable level of liquidity and this, accompanied by the already stated policy of controlled expansion in the UK, Europe and U.S., enables the board to anticipate a satisfactory outcome to the full year's trading.

First-half losses per 25p share rose from 3.99p to 8.1p, but the interim dividend is maintained at 0.4p net — last year a total of 2.4p was paid from pre-tax profits of £514,000.

Sales — including VAT of £1.09m (£0.95m) — and trading losses of £238,000 (£122,000) for the period were split between: retail — UK £8.7m (£6.8m) and £176,000 (£128,000) — rest of EEC £1.06m (£1.2m) and £30,000 profit (£144,000 loss) — U.S. £0.69m (£0.14m) and £20,000 loss (£10,000 profit); converting and wholesaling — UK sales £1.2m (£1.15m), exports £0.87m (£1.38m) and £2,000 loss (£96,000 profit). There was also a £70,000 deficit (£44,000 surplus) from net rents of properties.

Net interest paid increased from £156,000 to £221,000. At the attributable level, losses showed a rise from £211,000 to £464,000, after extraordinary credit of £20,000 (nil), tax charge of £25,000 (£60,000 credit) and an exchange credit of £7,000 last time.

Owing to the continued shortage of senior accounting personnel within the group, the directors say it has not been found possible to provide a current cost accounting version of results.

Gen. Investors lower halfway at £613,000

A decline in net revenue from £705,000 to £613,000 has been shown by General Investors and Trustees for the six months to July 31, 1982.

The net interim dividend is being effectively held at 1.25p—last year's adjusted total of 3.3p. Earnings per 25p share for the six months were given as slipping from an adjusted 2.3p to 2p. The directors say that it should be possible to pay a final of 2.25p, making a total of 3.5p.

Net asset value per share prior to charges at nominal value was reduced from an adjusted 130.6p to 116.7p and prior to charges at market value from an adjusted 132.8p to 118.5p.

Trading profits on land fell from £214,000 to £76,000. Profits from the sale of trading land in Western Australia are down, say the directors, mainly because of depressed economic conditions and high interest rates. An improved profit is forecast in the second half because a new subdivision in the Melville Links residential estate was due to be released in August.

Total revenue for the six months amounted to £1.49m (£1.65m). It was made up of franked income of £702,000 (£640,000), unfranked income of £653,000 (£613,000), trading profits on land, dealing profits last time of £131,000, which the directors say were non-recurring, and rental income of £56,000 (£49,000).

Management payments and interest amounted to £526,000 (£500,000). Tax took £348,000 (£439,000). Attributable profits emerged lower at £606,000 (£701,000).

Lowland Drapery £0.4m deficit at 17 months

DESPITE a £188,371 profit from the upholstery fabrics division, S. Ross and Company, **Lowland Drapery Holdings**, Glasgow-based wholesale and retail textile group, suffered taxable losses of *£410,281 for the 17 months* ended May 31 1982. This is compared with a loss amounting to £280,819 for the previous 12 months.

Sales totalled £7.41m, against £4.85m last time, and again there is no dividend.

S. Ross was acquired in May 1981—results are from that date—and has continued to trade well since then, the directors state.

Offsetting the surplus from the upholstery side was a much bigger loss from the drapery and hardware sector of £598,652, compared with £280,819.

In February, for their second interim report, for the five months to November 30, directors announced pre-tax losses of £50,900 (£168,300).

They now explain that deep-rooted problems of the traditional Scottish drapery and hardware business have necessitated a major reorganisation, which has been costly.

It is hoped that the Scottish subsidiaries will be profitable in the second half of the current year, they state.

Wassall loss at £0.18m and five shops closed

HEAVIER PRE-TAX losses, £177,999 against £36,963, were incurred by **J. W. Wassall**, the Birmingham-based multiple footwear retailer, for the year to March 31 1982. Turnover was *slightly higher at £2.37m* compared with £2.28m.

No dividend is again being paid—the last payment was a final of 0.45p in 1980.

Last November, Benson Shoe agreed to acquire all capital of Wassall, other than 52,000 ordinary shares already owned. Acceptances totalled 51.62 per cent and the offer finally closed in February.

The directors say they have closed five shops since the year-end and there are a further three due to be closed shortly. They say the increase in turnover in the *first* five months of the current year is higher than the national averages, but gross margins are still lower than normal.

Tax charged for the year was £1,168 (£145,937 credit). Expenses in connection with the offer for share capital was £4,508 (nil). Goodwill written off was £22,500 (£27,008), and transfer to mortgage redemption reserve totalled £3,000 (same).

Sales boost for MFI Furniture

Mr Arthur Southon, the chairman of **MFI Furniture**, told the annual meeting that the group was continuing to experience a welcome improvement in sales.

He added that there were some signs of an increase in consumer confidence and the significant development and extension of the merchandise ranges were making their contribution. On the basis that this trend continued, he said the current year could be viewed with "some optimism."

At other annual meetings the chairman reported as follows—**Phoenix Timber Group**: At the end of the first five months of the current year the group had continued to show a trading loss but that the monthly trend showed a considerable reduction in the rate of the loss.

There was hope that this improving trend would continue during the remainder of the year.

Western Board Mills: Business conditions had been difficult although the company had continued to trade profitably. Group results to the end of September would be somewhat below the record profit of the corresponding period last year.

Singlo Group: Good progress was being made in the current year.

Although new store opening costs and competition generally would curtail profits growth in the first half with sales rising strongly (*they were up 23 per cent in the first five months*) the prospects for the year as a whole were reasonably promising.

Scottish English and European Textiles: Management reports indicate a similar profitability to the same period last year. It was hoped that the new selling season would prove beneficial to the group during the second half.

F. H. Tomkins: *The group was* expected to report improved profits for the first half; monthly operating returns for the four months to August showed that sales were up on the comparable period of 1981.

Ramus ends year more than 50% down

Sharply lower profits were returned by **Ramus Holdings** for the 53 weeks to July 7, 1982, the pre-tax figure emerging at £325,000 compared with £692,000 previously. Turnover rose from £13.01m to £13.63m.

A final dividend of 3.5p makes a total of 5p—the group's shares are dealt in on the Unlisted Securities Market. Earnings per share totalled 6.1p (14p).

The pre-tax surplus was after interest charges of £201,000 (£191,000). Tax took £61,000 (£89,000) and there was an extraordinary debit of £87,000 (nil) for placing costs.

Nimslo on target at halfway

THE financial performance of **Nimslo International**, the 3-D camera group, is on target according to the company's projections. For the first half of 1982, directors state, showing a pre-tax loss of US$9.49m (£5.56m at current rates). Sales for the period amounted ot $5.5m.

The directors say the shortfall in camera deliveries between August and October will inevitably mean lower level of revenues and a higher operating deficit than originally projected.

However, the company confidently anticipates that with the committed production level from Timex, there will be profitable trading in the last quarter.

The directors reveal that an agreement has been reached with a French company which will be wholly-owned by Olsen Group to manufacture a Nimslo professional camera and printer, as well as provide funds for further research. In addition the company will acquire the rights to market the Nimslo system in France and Belgium.

The consideration for this acquisition is being established in consultation with the company's merchant bankers and will be substantial, directors say. *Agreement on the final value* will be reached shortly.

Nimslo will be granted an option to purchase the subsidiary at a price excluding goodwill. This will facilitate a faster launch of the professional system, faster development of a second generation amateur camera and will very substantially reduce the financial commitment than would otherwise be required from Nimslo, the directors explain.

● comment

Nimslo never ventured to give half yearly estimates when it presented its projections at the time of joining the USM last year. So shareholders have scant evidence to base any judgments about these interim results. The company says the financial performance is "on target" which means that the second half must have been budgeted to produce sales of nearly $55m and profits of over $10½m. However, the programme seems to be slipping back, though Nimslo remains emphatic that the last quarter will be trading profitably. It all seems rather thin comfort for those investors who piled in at $4.25 a share and the scepticism is as large as 3-D life in a share price of 140p last night, nearly 100p short of the year's high. Yet those who have faith in the ultimate appeal of the camera may be undaunted by these problems of infancy.

Community Hospital £2.66m rights

Community Hospital (CHL), an independent hospital investment and management company, is raising £2.66m by way of a rights issue on the market operated by M. J. H. Nightingale. The proceeds of the issue will be used to help fund a new hospital in Ashtead, Surrey.

CHL intends to issue 2.36m "D" ordinary shares at 117p. Following the completion of the rights, CHL will subscribe for up to £2.5m cumulative redeemable convertible preference shares in Surrey Independent Hospital (SIH), the company which plans to build the new hospital.

The rights issue is conditional upon private businesses and private investors subscribing up to £215,000 for ordinary shares in SIH.

Anglo Nordic bid values Braby Leslie at £7.4m

BY CHRISTOPHER CAMERON-JONES

Anglo Nordic Holdings, the industrial holding group, is to make a share or cash offer for Braby Leslie, which values the troubled mechanical and civil engineering group at £7.4m. Braby ordinary shares yesterday jumped on the news 12p to 69p against the share offer equivalent to 73.5p. The cash alternative is 66p for each Braby ordinary.

Anglo, which is half-owned by Danish industrial group F. L. Smidth, came to the Unlisted Securities Market by way of a reverse takeover of the cash shell Anglo Argentine Tramways in June this year. If the latest offer is successful it will apply for full London listing.

The offer is on the basis of seven Anglo ordinary 5p shares for every four Braby ordinary shares. The equivalent is based on an Anglo share price of 42p. For the 5.6 per cent cumulative preference shares there is a 70p cash offer.

CHI Securities, a quoted associate of Anglo, currently holds 27.5 per cent of Braby which for 1981-82 made a marginal rise of £39,000 in pre-tax profits to £301,000 on turnover of £31m. This was the first upturn by Braby in four years over which profits had fallen from £2.39m in 1977-78.

Anglo, whose interests include the manufacture of processing and harvesting machinery for agriculture and brewing, and instruments for the processing and other industries, had net tangible assets of £4m on a pro-forma basis at March 31 last. The group is headed by former managing director of Grand... Brian Wolfson.

Braby's activities include manufacture of storage vessels, process plant and special fabrication for the petro-chemical, process and brewing industries.

ENGLISH AND NY TRUST CONVERSION

English and New York Trust says that on September 12, the final conversion date for the per cent convertible unsecured loan stock 1990-95, £32,658 stock was lodged for conversion into 50,009 ordinary.

The remaining £6,455 of loan stock will be repaid at par plus accrued interest.

Nu-Swift 'yes' to Mosspray

Mosspray, a private company run by Mr Brian McGillivray, the former Rentokil chief executive, has stepped up its bid for Nu-Swift Industries from £7.4m to £8m and won the agreement of Nu-Swift's board and its advisers, Barclays Merchant Bank.

Mosspray launched its attack on Nu-Swift, the West Yorkshire based fire extinguisher company, in the middle of last month with a straight one-for-one share swap underwritten by a 37p a share cash offer. Mr McGillivray already owned 10 per cent of Nu-Swift and associates, including J. Henry Schroder Wagg, brought his starting stake up to 14.75 per cent.

The offer was rejected by the Nu-Swift board and only attracted acceptances of a further 18 per cent. Nu-Swift also came up with proposals to issue 3.4m shares (14.6 per cent of the equity) to an Anglo-French consortium, September Purchasing (SPT), in an attempt to ward off Mosspray's unwelcome offer.

But yesterday, Nu-Swift announced that a higher offer was on the way and by the evening an agreed price had been struck.

Apart from the extra 3p a share on the cash alternative, Nu-Swift's shareholders will be able to retain the interim dividend of 0.925p recently declared.

Assuming the offer becomes unconditional proposals to issue shares to September Purchasing will be dropped.

Schroders will be despatching a revised offer to shareholders next week, and in the meantime the offers have been extended to Friday October 1.

FINLAY BUYS 50% OF MIDSTATES OIL

James Finlay, through its subsidiary in Houston, U.S., James Finlay International, has purchased 50 per cent of Midstates Oil Company, an independent oil and gas operation in Dallas, Texas, for $3m.

Finlay is providing a further $3m to support Midstates' programme to purchase further leases and to accelerate development and offset drilling in proven areas of its existing acreage.

Saudis' stake in Aitken Hume

BY WILLIAM HALL, BANKING CORRESPONDENT

Prince Mohammed bin Fahd, son of King Fahd of Saudi Arabia, is believed to be one of several Saudi Arabian princes and their business associates who have paid £1.6m for a 18 per cent stake in Aitken Hume, the small London merchant bank.

Mr Timothy Aitken, chief executive of Aitken Hume, the merchant banking arm of Aitken Hume Holdings, said yesterday that he could not disclose the names of the "prominent members of the Saudi Arabian Royal family," who have put money into the bank.

The investment is in the merchant banking subsidiary, which is a licensed deposit taker, and not the holding company, which is quoted on the Stock Exchange. However, Aitken Hume shares jumped 20p to 195p on the news of the investment.

In a short release to the SE Aitken Hume, which is headed by Mr Jonathan Aitken, the Tory MP, said that the new capital will "significantly increase" the equity base of the bank.

The company expects this will lead to a significant increase in the number of beneficial deposits and that this will have a material effect on the growth of the banking business and on the development of corporate banking activity.

Mr Timothy Aitken said yesterday that his brother, Jonathan Aitken, the MP, has had a very close relationship with the Saudi Royal family going back seven or eight years.

He said that the investment was a "significant vote of confidence in a relationship which began seven years ago." He said that he had been asked not to reveal the names of the investors but "when I say that they are prominent members of the Saudi Arabian Royal family, I mean prominent," said Mr Aitken yesterday.

He said that the bank, which is aiming at winning recognised UK banking status in the not too distant future is lending between £30m and £40m, and the new capital will enable it to increase its lendings to around £70m.

He said the investment was also important because it will lead to an influx of deposits in due course "which will make the bank much more interesting."

Aitken Hume has been growing rapidly over the past couple of years and Prince Michael of Kent joined its board in April. It is understood that the new Middle Eastern investors numbers around a dozen.

MN PENSION FUND FIRST UNION

A British pension fund said in Washington it has boosted its stake in First Union Real Estate Equity and Mortgage Investments to the equivalent of 8.3 per cent of the beneficial interest shares outstanding.

In an SEC filing, the Merchant Navy Officers' Pension Fund Trustees said it holds the equivalent of 868,469 First Union shares, including the conversion of 38,719 shares of an aggregate of $671,000 principal amount of First Union 10 per cent convertible subordinated debentures due 2006 and 90,750 shares of an aggregate of $1.01m principal amount of First Union's 8.75 per cent convertible subordinated debentures due 1999.

The British pension fund purchased 150,800 First Union shares from August 24 through September 3 at prices ranging from $15.375 to $17.25 a share on the New York stock exchange.

STEWART WRIGHTSON SELLS IoW FARM

In 1980, Stewart Wrightson disposed of the bulk of its farming interests, leaving two farms on the Isle of Wight and Dorset.

Now, the tenancy of Afton Farms in the Isle of Wight has been surrendered, and farmland, in which the group has an interest, has been sold. The consideration receivable by the group on completion for the whole of the tenant assets and its interest in the farmland total approximately £1.4m able in cash.

This disposal is a further step in the group's policy of concentrating its interests on its insurance and broking interests. The group's sole farming interest is now the tenancy of a farm of 575 acres in Dorset.

TELEPHONE RENTALS

The interest of the Prudential Corporation—together with that of segregated funds which it manages for clients—in issued ordinary share capital of Telephone Rentals is now 5 per cent as a result of recent purchases.

AMALG. TIN MINES

The listing of Amalgamated Tin Mines of Nigeria was temporarily suspended from 9.30 a.m. yesterday at the company's request, pending publication of particulars of a reorganisation.

Results due next week

Ready Mixed Concrete has always been an efficient and well-managed company, but times are hard in the construction industry, so one should not expect results to be dazzling. Last year's interim pre-tax profits were £18.4m, and the company looks set to do either slightly better or slightly worse this time round. The big freeze in the New Year hit first-quarter sales, but there was some catch-up in the second three months. Demand is reasonable in the UK, but is cracking slightly on the Continent, particularly in France and Germany. The company is likely to benefit, though, from its policy of diversification. With any luck, Wednesday's figures will show solid contributions from the DIY, alarms and builders' merchants businesses. Analysts predict pre-tax profits of anything between £15m and £20m. The dividend will either be maintained or raised a little.

Wimpey's interim results, out on Thursday, are unlikely to see it building much on past profits. In the same period last year, the company made £6.4m in pre-tax profits and forecasts for this year range from a gloomy £5m to a slightly more optimistic £6m-£7m. Interm results, though, are not that important, as profits in the second half tend to be about six or seven times larger, but they still serve as a marger for future progress. The downturn in private sector housing last year will probably be felt in this year's profits, and business has been particularly bad in the U.S. and Canada. In the UK market, Barratt, Wimpey's main competitor, has been using more aggressive marketing techniques and, as a consequence, has been taking a larger slice of the first-*time buyers' market. Wimpey* has been feeling the pressure on its market share over the last few years, and will have to step up its marketing if it wants to stop the slide. The dividend at the interim stage will probably be maintained.

More recovery is expected for **John Laing**, which produces its interim figures on Friday. The market is looking for pre-tax profits of £3-£4m, compared with £2.6m for the six months to June in 1981. Analysts are sceptical, however, about the sturdiness of John Laing's improvement. The group has been picking up work with extra-low tenders and some are wondering if John Laing will be able to work prices back up again once the market starts to improve. Overseas activities have not been happy, with last year's losses likely to continue into this year. Even so, the full-year figure is expected to exceed last year's £6.1m, and turn out between £7m to £9m pre-tax. The dividend this year is considered solid at 2.875p.

With Lonrho once again on the warpath, **House of Fraser's** interim figures, expected this Wednesday, take something of a back seat. The first half is always a bit of a yawn for a group so heavily dependent on Father Christmas and this first half has been even duller than most. Even so, most analysts expect the group to break-even or scrape up some profit for the six months, compared with last year's £1.3m. In the full year analysts are expecting a recent improvement in the retailing scene to start coming through so estimates are for an increase to perhaps £29m-£30m against £27m last year. The betting is much more interesting: whether Lonrho will manage to de-merge Harrods, with opinion varying from impossible to quite likely. In any event, there is no dissension on the interim dividend: maintained firmly at 2p.

Other reports expected next week include **Foseco Minsep** which gives interim figures on Monday, and **United Newspapers**, which produces interim on Thursday.

Company	Announcement due	Dividend (p)* Last year Int.	Last year Final	This year Int.
FINAL DIVIDENDS				
AB Electronic Products Group	Wednesday	0.5	3.5	2.5
Boulton (William) Group	Tuesday	—	0.1	—
Casket (S.) Holdings	Wednesday	0.5	1.25	0.5
Compco Holdings	Tuesday	—	1.95	—
Dixon (David) Group	Thursday	2.22	7.73	2.22
Emess Lighting	Tuesday	2.75	4.0	3.0
Ferry Pickering Group	Friday	0.90909	1.45455	0.909
Galliford	Monday	0.5625	1.9375	0.7
Gaunt (Rowland)	Wednesday	—	—	—
Home Farm Products	Thursday	1.15	1.75	1.15
HTV Group	Thursday	3.5	6.5	4.0
Link House Publications	Monday	3.2	6.8	3.8
Lister	Thursday	—	0.1	—
London Shop Property Trust	Thursday	1.0	2.75	1.25
Melody Mills	Wednesday	—	—	—
Parker Knoll	Monday	2.5	5.0	2.5
Sharpe (Charles)	Thursday	4.12	23.38	4.12
Staffordshire Potteries (Holdings)	Thursday	—	0.01	—
Tor Investment Trust	Wednesday	2.8	8.3	3.5
TR Energy	Thursday	—	—	—
Walker (James) Gldsmth. & Slvrsmth.	Wednesday	1.0	3.0	1.0
Glossop	Monday	1.576	3.506	
Henriques (Arthur)	Friday	0.3	1.2	
Highcroft Investment Trust	Thursday	1.15	1.7	
Holt Lloyd International	Friday	1.5	1.67	
Hoskins and Horton	Tuesday	2.0	3.0	
House of Fraser	Wednesday	2.0	5.0	
Hurst (Charles)	Tuesday	1.33	1.65	
Hyman (I. and J.)	Tuesday	—	0.1	
IDC Group	Tuesday	1.33	4.235	
Laing (John)	Friday	1.0	1.875	
Liverpool Daily Post and Echo	Wednesday	3.7	6.5	
Lyle Shipping	Friday	4.5	5.5	
Macdonald Martin Distilleries	Monday	3.0	9.5	
Manders Holdings	Thursday	1.4	4.0	
Metalrax Group	Monday	0.68182	1.45455	
North British Canadian Investment	Friday	1.75	3.35	
Planet Group	Monday	0.66667	1.33333	
RMC Group	Wednesday	3.7	5.8	
Scottish Television	Friday	1.75	5.25	
Tomatin Distillers	Tuesday	—	—	
Travis and Arnold	Monday	0.84	3.69	
United Newspapers	Thursday	4.5	7.8	
Watmoughs (Holdings)	Thursday	1.7	3.75	
Watts Blake Bearne	Friday	1.35	2.22	
Whatman Reeve Angel	Wednesday	1.8	3.2	
Wimpey (George)	Thursday	0.85	1.95	
INTERIM DIVIDENDS				
Aberdeen Construction Group	Thursday	2.4	4.77	
Arncliffe Holdings	Tuesday	1.12	1.54	
Associated Book Publishers	Wednesday	1.16667	3.0	
Beauford Group	Thursday	0.7	1.4	
Berwick Timpo	Thursday	2.0	—	
Bilton (Percy)	Monday	2.5	5.0	
Black (A. and C.)	Monday	0.5	4.89	
Brown and Jackson	Thursday	—	0.25	
Elbar Industrial	Wednesday	—	—	
Finlay Packaging	Monday	0.5	1.75	
Foseco Minsep	Monday	2.65	4.35	
Fothergill and Harvey	Wednesday	2.75	5.0	
Garner Booth	Wednesday	2.4	4.0	
INTERIM FIGURES				
Bonusbond Holdings	Wednesday			
Brown Boveri Kent (Holdings)	Thursday			
Downiebrae Holdings	Friday			
Molynx Holdings	Tuesday			
Thomson T-Line Caravans	Wednesday			
Turriff Corporation	Thursday			

* Dividends are shown net pence per share and adjusted for any intervening scrip issue.

SUMMARY OF THE WEEK'S COMPANY NEWS

Take-over bids and deals

English China Clays launched a rival £18.8m bid for Mixconcrete topping the offer from Pioneer Concrete by £2.1m. ECC is offering 195p per share cash compared with Pioneer's revised 180p bid. Pioneer originally offered 155p per share valuing Mixconcrete at £14.4m. ECC said it would be seeking the recommendation of Mixconcrete's board which has already rejected the Pioneer bids. The higher Pioneer bid was accepted by Mr John Mackaness, founder and president of Mixconcrete, in respect of his own holding. This led to a split with other members of the board and Mr Mackaness's resignation.

Hambro Life Assurance made an agreed £10.44m offer for Dunbar Group, the financial services company. Hambro is offering 40 of its own shares for every 13 Dunbar, valuing the latter at around 870p per share; this compares with the 640p price when dealings in Dunbar were suspended on September 17.

Shares of F. W. Woolworth, suspended at 58p earlier in the week, jumped to 73p in resumed dealings on Thursday amid continuing mystery about the identity of a consortium preparing to bid for the company. Bankers Charterhouse Japhet are known to be advising a takeover consortium which is believed to include Prudential among other institutional investors.

Company bid for	Value of bid per share**	Market price**	Price before bid	Value of bid £m's**	Bidder
Prices in pence unless otherwise indicated.					
Amal Tin Nigeria	12*§	14††	8	0.07	Dove
Braby Leslie	73§	69	57	4.24	Anglo Nordic
Braid Group	58*	58	42	2.74	Lookers
Brent Walker	48*§	50	55††	2.58	Locke Heath
British Northrop	18*	17	12	0.31	Padworth Invs
Dorada	46	43	38	4.91	Keep Inv
Dunbar	836	780	640††	10.83	Hambro Life
Estates & Agency	120*§	123	134	3.06	Rosedimond
Eva Industries	44	35	44	2.38	Anglo-Indonesian
Grant Bros¶§	190*	185	218	2.28	Indepaint
Holden (A.)	180†§	180	178	10.92	ICI
Howard Tenens	57§	62	64††	10.73	Espley-Tyas
Lifeguard Assce	950*	950	407††	7.10	Malt Rith & Life
Mixconcrete	195*	205	177	18.80	Eng China Clays
Mixconcrete	180*	205	115	16.73	Pioneer Concrete
Nu-Swift Inds	40	40½	35	8.00	Mossprey
Sheffield Ref	137	135	103	2.45	Vaux Brews

* All cash offer. † Cash alternative. ‡ Partial bid. § For capital not already held. ** Based on September 24 1982. †† At suspension. ‡‡ Estimated. §§ Shares and cash. ¶ Unconditional.

INTERIM STATEMENTS

Company	Half-year to	Pre-tax profit (£000)		Interim dividends* per share (p)	
APV Holdings	June	7,570	(6,940)	2.8	(2.8)
Arden & Cobden	June	26	(22)L	—	(—)
Armitage Bros	July	69	(127)	—	(—)
Bank of Scotland	Aug	22,100	(25,800)	10.5	(10.0)
Barrow Hepburn	June	520	(776)	0.8	(0.8)
BAT Industries	June	326,000	(269,000)	12.5	(14.5)
Beatson Clark	June	1,650	(1,210)	3.3	(3.0)
Biddle Holdings	June	1,030	(962)	2.4	(2.4)
Boddingtons Brws	June	3,620	(2,800)	1.75	(1.6)
Bodycote Intl	June	354	(491)	1.0	(2.0)
Breedon Hill Lime	July	602	(645)	2.63	(2.63)
Brixton Estate	June	3,320	(2,800)	1.7	(1.55)
Carlton Real Ests	June	150	(30)	—	(—)
Clarke (Nickolls)	June	133	(240)	1.75	(1.75)
Clay (Richard)	June	279	(662)L	1.0	(—)
Clyde Petrlm	June	873L	(789)	—	(—)
Comtech	June	430†	(—)‡	—	(—)
Cory (Horace)	June	203	(118)	0.5	(0.4)
Cussins Property	June	515	(606)	2.0	(—)
DRG	June	5,400	(3,900)	3.0	(3.0)
Dunlop	June	4,000	(3,000)L	2.0	(2.0)
Early's of Witney	July	185L	(52)	0.32	(0.32)
Fisons	June	9,060	(1,600)	5.0	(4.0)
Garton Engg	June	169	(206)L	—	(—)
Gaal Petroleum	June	877	(119)L	—	(—)
Haden	June	3,050	(2,550)	2.25	(2.0)
Hall Engg	June	3,410	(3,560)	3.41	(3.41)
Hamilton Oil	June	13,040	(10,940)	—	(—)
Harrison Cowley	June	281	(270)	1.5	(1.4)
Hawley Group	June	2,170	(1,100)	1.2	(1.1)
Huntleigh Grp	June	521	(502)	0.8	(0.5)
Laporte Inds	July	9,570	(8,430)	3.8	(3.5)
Lilleshall	June	39	(84)	—	(1.0)
Mackay (Hugh)	June	59L	(106)	1.4	(1.4)
MacLellan (P.W.)	June	71	(57)	0.5	(0.5)
Marshall (Thos)	June	240L	(270)	1.2	(1.2)
McCairns (PMPA)	June	595L‖	(315)L‖	—	(—)
MEMEC	June	845	(759)	1.1	(1.0)
Menzies (John)	July	1,250	(1,130)	1.6	(1.45)
Mersey Docks	June	3,998L	(2,470)L	—	(—)
Morrison (Wm)	July	3,660	(3,373)	0.45	(0.4)
Myson Group	June	823	(1,370)L	—	(—)
NEI	June	18,030	(15,060)	1.5	(1.38)
Newarthill	Apr	12,280	(10,720)	—	(—)
Oilfield Inspectn	June	585	(359)	1.0	(—)
Oliver (George)	June	68L	(213)	1.32	(1.21)
Owen Owen	July	2,840L	(1,810)L	1.0	(1.0)
Perry (Harold)	June	1,580	(1,580)	1.5	(1.5)
Phoenix Props	Mar	26	(4)	—	(—)
Pittard Group	June	75L	(352)	1.38	(1.38)
Pritchard Srvces	July	4,010	(2,650)	0.9	(0.75)
Rock Darham	June	71L	(206)L	—	(—)
Rowton Hotels	June	265	(327)	3.15	(3.15)
Rwntree Mcintsh	June	13,700	(8,700)	2.9	(2.7)
Samuel (H)	July	1,690L	(773)	—¶	(1.5)
Simon Engg	June	7,600	(7,440)	4.0	(4.0)
Spear & Jackson	June	854L	(330)	1.0	(3.58)
Stewart Wrightsn	June	4,180	(3,880)	3.85	(3.85)
Sunlight Service	June	969	(720)	0.75	(0.6)
Supra Group	May	281	(272)	0.75	(0.68)
Taddale Props	July	201	(—)‡	1.2	(—)
Telfos Holdings	June	101	(225)L	0.28	(—)
Tarmac	June	20,100	(14,120)	3.2	(2.9)
Tootal	July	5,080	(4,230)	1.1	(1.1)
Vickers	June	10,200	(9,500)	4.55	(4.55)
Wadkin	July	650L	(279)L	—	(—)
Walker (Thos)	June	43	(106)	0.71	(0.71)
Wilkes (James)	June	101	(479)L	—	(—)
Wiljay	June	113	(30)	1.16	(1.16)
Wood (Arthur)	June	51L	(34)L	—	(—)
Wolstenholme Rink	June	611	(628)	2.5	(2.5)
WW Group	June	122	(322)	1.91	(1.91)

(Figures in parentheses are for the corresponding period.)

* Dividends are shown net except where otherwise stated. † For three months. ‡ No comparable figures. ¶ Dividend will be declared in January. ‖ In I£. L Loss.

PRELIMINARY RESULTS

Company	Year to	Pre-tax profit (£000)		Earnings* per share (p)		Dividends* per share (p)	
Armstrong Equip	June	3,230L	(867)	—	(0.7)	0.35	(1.5)
Blue Bird Confect	July	378	(112)	7.8	(4.2)	4.57	(4.35)
Barratt Dvpts	June	40,200	(30,500)	43.4	(49.5)	12.35	(9.88)
Dalgety	June	45,700	(41,200)	37.7	(29.7)	22.0	(22.0)
Dowding & Mills	June	1,640	(1,330)	3.7	(2.3)	1.67	(1.65)
Epicure Hldgs	June	1,000	(970)	3.5	(3.9)	1.75	(1.5)
Grippeerods	Apr	724	(1,120)	15.9	(43.2)	3.5	(5.25)
Makin (J. & J.)	Mar	641	(938)	15.7	(32.3)	3.0	(3.0)
Maynards	June	1,800	(3,010)	29.4	(36.9)	9.75	(9.38)
Mills & Allen	June	12,645	(11,531)	59.4	(51.8)	22.0	(20.0)
Mucklow (A. & J.)	June	4,710	(4,290)	7.2	(7.6)	4.25	(3.88)
Park Place Invs	June	1,040	(762)	11.0	(9.7)	5.0	(3.6)
Second City Props	Apr	1,510	(1,290)	6.8	(6.8)	2.22	(1.77)
Trafford Park Est	June	2,150	(2,020)	13.7	(10.8)	8.25	(7.25)
Westmst & Cntry	Apr	631	(562)	16.6	(17.0)	5.0	(4.0)

Offers for sale, placings and introductions

FKI Electricals—Is joining the Unlisted Securities Market by way of a placing of 10m shares at 10p per share.

Roreno NV—Is applying for a London listing.

Standard Chartered Bank—Issue of a 12¾ per cent £100m subordinated unsecured loan stock repayable between 2002-2007.

International Signal and Control—Is to seek a full listing on the London Stock Exchange.

Mid-Sussex Water Company—Is raising £1.5m through a placing of 12.5 per cent redeemable debenture stock 1987-89 at £100 per cent.

MINING NEWS

Hartebeest's capital spending still high

ALTHOUGH the South African gold and uranium-producing Hartebeestfontein mine has had to cut back on some capital projects in order to conserve finances it still faces high capital spending of some R150m (£78m) over the next three to four years, says Mr Basil Hersov in the annual report.

In the past financial year to June 30, Hartebeest's expenditure on mining assets and unlisted investments amounted to R20.4m. Net profits were R103m out of which R73.8m was paid out in dividends totalling 650 cents per share against 1,025 cents in the previous year.

Mr Hersov says that it is hoped to maintain gold production in the current year at the 1981-82 level. In the light of the recent improvement in bullion prices he says that while the Vaal reef is currently the only source of ore for the mine there are several other reefs present.

These are uneconomic to work at current gold prices, but they would provide further ore sources if the gold price should rise "substantially" in the future.

International round-up

INITIAL RESULTS from a programme of underground exploration at the Opawica-Lac Shortt gold property of Canada's Corporation Falconbridge Copper indicate a portion of much higher grade ore than was suggested by surface drilling.

Falconbridge said that the latest tests indicate an average grade of 12.6 grams per tonne over a width of 7.1 metres for 85 metres along the drift.

The company said it has so far spent C$6.6m (£3.1m) on the project, and a further C$1.5m will be spent this year on exploration at different levels.

Falconbridge has a 77.5 per cent interest in Opawica, which is in north-western Quebec, about 80 miles from the group's Opemiska copper-gold mine at Chapais.

* * *

Work at EZ Industries' Rosebery zinc mine in Tasmania has been disrupted since Tuesday by a strike of more than half of the 900-strong workforce.

The dispute concerns the level of redundancy payments to workers laid off in July.

* * *

Scientists of the U.S. Commerce Department's National Oceanic and Atmospheric Administration have announced the discovery of a large mineral deposit in the Atlantic Ocean, 1,800 miles east of Miami, Florida.

An area two miles long and one mile wide is reported to contain intermittent deposits of manganese, and possibly copper, zinc and silver.

* * *

The Italian parliament has given final approval to a bill setting new rules for mining and prospecting activity. The bill gives responsibility for exploration work to ENI, the state energy corporation, in collaboration with regional mining authorities.

The measure is aimed at boosting domestic production of lead, zinc, copper and other non-ferrous metals. Hydrocarbons and radioactive minerals are excluded from its provisions.

Oceonics shares jump 125p to 510p

Oceonics, the marine electronics company whose shares resumed dealing on the USM yesterday, shot up in busy trading. The shares opened at 385p and closed at 510p.

This price compares to their placing in March of 180p.

The shares were suspended in June at 255p following Oceonics' announcement that it was acquiring a Hong Kong-based company in a similar line of business called Geomex.

BP Australia incurs loss

BP Australia, one of that country's largest oil refining and market companies, has incurred a loss of A$29.2m in the half year to June 30 1982, against a profit of A$5.6m previously.

The company—wholly owned by British Petroleum—reported a large jump in provision for exploration expenditure from $3.45m to $38.2m. Interest payments were $36m, against $27.2m last year. The company paid $3m in dividends in June.

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1981-82 High	Low	Company	Price	Change	Gross div.(p)	Yield %	P/E Actual	P/E Fully taxed
129	120	Ass. Brit. Ind. Ord.	129	—	6.4	5.0	11.7	14.5
145	100	Ass. Brit. Ind. CULS	137	—	10.0	7.3	—	—
75	62	Airsprung Group	68	—	6.1	9.0	7.7	13.3
51	33	Armitage & Rhodes	43	—	4.3	10.0	4.8	8.4
237	187	Bardon Hill	227	+2	11.4	5.0	10.0	13.5
119	100	CCL 11pc Conv. Pref.	118	—	15.7	13.3	—	—
270	240	Cindico Group	258xd	—	26.4	9.9	10.8	12.1
104	60	Deborah Services	72	—	6.0	8.3	4.8	12.9
140	97	Frank Horsell	139	—	7.9	5.7	5.9	8.2
83	79	Frederick Parker	71	—	6.4	9.0	3.6	9.9
78	46	George Blair	52	—	—	—	5.0	15.6
102	93	Ind. Precision Castings	93	—	7.3	7.8	6.7	10.1
124	100	Isis Conv. Pref	124	+1	15.7	12.7	—	—
113	94	Jackson Group	118	+1	7.5	6.4	3.8	7.6
140	105	James Burrough	140	—	8.6	6.9	10.2	11.4
334	195	Robert Jenkins	195	—	20.0	10.3	2.0	25.5
83	51	Scruttons "A"	57	—	5.7	10.0	10.5	12.7
222	150	Torday & Carlisle	151	—	11.4	7.5	5.8	11.0
81	21	Unilock Holdings	22	—	0.46	2.2	—	—
103	73	Walter Alexander	82	+1	6.4	7.8	5.9	8.5
263	212	W. S. Yeates	248	+1	14.5	5.8	5.6	13.0

Prices now available on Prestel page 48146.

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579-584 (+3)

CONTRACTS

£10m fitting out at Debenhams, Croydon

BOVIS CONSTRUCTION has been appointed management contractor for the £10m fitting out of Debenhams' new store at Croydon. This consists of four main storeys plus roof plant rooms and will provide a gross floor area of about 214,000 sq ft.

Bovis will carry out the contract in two phases. This will allow Debenhams to trade from half the existing store during the first phase fitting out. They will then occupy this area while the remainder of the original building is demolished and a new shell is constructed and fitted out.

The contract includes the installation of nine escalators, two goods lifts and a 20-person passenger lift, plus the fitting out of sales areas, restaurants, hairdressing salon, stockrooms and staff areas.

The project will be built to a fast programme in two phases—the first, of 11 months, will be completed in mid-1983, and the second in the middle of 1985. The 15 month gap allows reconstruction of the store to be completed.

★

● FISHMEAL production in the main exporting countries in 1982 is expected to be 2.1m tonnes, little changed on 1981. However, exports were likely to rise to 2.05m tonnes compared with 1.74m tonnes. Exports to September this year have risen 20 per cent to 1.47m tonnes.

ROSSER AND RUSSELL (NORTHERN), part of the Rosser and Russell Group, has a £460,000 contract for installing new services in the Algernon Firth building of the department of pathology. Due for completion in August 1983, the contract includes installation of heating and ventilation and hot and cold water services in an existing, refurbished building.

★

A NEW company, FERRANTI INDIANA, has been established in Spencerville, Indiana, U.S., by Ferranti. Ferranti Indiana will manage a contract with Total Petroleum Inc. for the supply of over 900 garage forecourt fuel dispensers.

★

LARGEST SINGLE order for the new FORD Cargo 3220 32.5 tonne tractive unit, since it was announced at the end of April, has been placed by vehicle delivery agents, Silcock and Colling. A total of 56 units, worth over £1.3m, has been ordered by the company, which is one of Europe's leading vehicle delivery agents transporting cars and light commercials from manufacturers and importers to their dealers. Silcock and Colling currently operate more than 200 transporters and the new Cargoes will be used to replace existing units in the fleet.

★

CUBITTS GENERAL CONTRACTS, a Tarmac company has been awarded a £1.2m contract for refurbishing the Bank of Credit and Commerce International at Leadenhall Street. The specialised work which is due to be completed by the end of the year involves the refurbishing of two floors and part of another for the use of the president and senior executives.

★

GEC-GENERAL SIGNAL has been awarded a contract for over £200,000 by British Rail Eastern Region for a microcomputer based train describer and automatic train reporting system to be installed at the new signal box at Colchester, covering 27 route miles of railway lines radiating from Colchester to Marks Tey, Eastgate Junction, Mistley, Westerfield Junction and Sproughton. A separate contract value at about £300,000 has been placed with the company by Eastern Region for an automatic train reporting system to be based at Stratford. This is an extension to equipment recently installed by GEC-General Signal as part of the Liverpool Street to Shenfield contract for a train information system.

★

PRESS CONSTRUCTION has secured a contract worth £700,000 from the Thames Water Authority for a new water pipeline. The company's Swindon-based distribution region is installing a water main from Norwood Reservoir to Selhurst Park for the TWA's South London Division. The work, programed for 40 weeks, entails excavation of roads and part of a park, and laying some three miles of 800mm-diametre ductile-iron pipe. The company will also lay 400 metres of 450mm ductile-iron pipe at the reservoir end of the line.

★

FAIREY CONSTRUCTION, a member of the Fairey Holdings Group, has been awarded a contract to erect nuclear reactor cores at Heysham II and Torness power stations. The design and provisioning of the temporary construction equipment has started at the company's Appleton headquarters near Warrington. Work will begin at Heysham in early 1983 and about four months later at Torness. Completion of the total contract is scheduled for the end of 1986. Fairey Construction is a wholly-owned subsidiary of Fairey Engineering which was awarded the contract by National Nuclear Corporation acting as agents for the Central Electricity Generating Board and the South of Scotland Electricity Board.

APPOINTMENTS

Chairman for Texaco Limited

Mr John D. Ambler has been elected chairman of the board and chief executive officer with executive responsibility for the TEXACO group of companies operating and holding interests, exploration, producing, refining, marketing, and transportation operations in the UK. Mr Ambler, who has served as president of Texaco Europe since July 1, 1981, will succeed Mr William S. Barrack Jr who has been named president of Texaco Oil Trading and Supply company, a division of Texaco Inc. located in Harrison, New York. In his new assignment Mr Ambler will make his headquarters in London from October 1.

★

At ABERDEEN UNIVERSITY PRESS (AUP), Mr Fred Pickhard, already a director of AUP and managing director of its origination subsidiary, AUP Typesetters (Glasgow), has been appointed managing director (printing); Mr Joe Cameron, currently works manager, is appointed director and general manager (printing); and Mr Colin MacLean, currently publishing director, is appointed managing director (publishing). Mr Ronald Thoms has been appointed AUP's commercial and financial manager. AUP is a Pergamon Press subsidiary.

★

Mr John Adams has joined GERBER SYSTEMS TECHNOLOGY as managing director of its newly-former European group operations, based at High Wycombe. He was vice-president and managing director of Manufacturing Data Systems International in France.

★

Mr Jiri Huebner, formerly associate director CHASE MANHATTAN BANK, has been appointed to the newly-created position of director of syndications. This position has been created in recognition of the growing importance of the placement aspect of syndicated loans and Chase's merchant banking relationships with other financial institutions. He will retain his current reponsibilities for managing Chase Manhattan's business with Japanese banks and institutional investors in London.

★

A new company has been formed within the Royal Bank of *Scotland Group responsible for* the control, development and integration of computer and other systems throughout the group. Called ROYAL BANK GROUP SERVICES, Mr S. Procter, group chief executive, will be its chairman and Mr W. R. McKim has been appointed its managing director.

★

Mr David A. Roberts, finance director of Charterhouse Petroleum, has resigned as a non-executive director of merchant bankers CHARTERHOUSE JAPHET.

★

Mr Roger Coombs, who has been with HENRY BOOT CIVIL ENGINEERING for more than 20 years, has been appointed director of contracts. He was associate director for the southern region.

★

Mr Geoffrey Copeman has been appointed to the new post of chief executive of EASTERN COUNTIES NEWSPAPERS GROUP. He will assume responsibility for the overall development of the group while retaining the responsibilities which he has carried as managing director.

★

Mr Graham Beare has been appointed marketing director of THOMAS WILLIAM LENCH.

★

Dr M. J. Pemberton has been appointed a director of WESTERN EXCAVATING (ECC) from October 1, an English China Clays company.

★

At VOLKSKAS INTERNATIONAL, Mr Bill Pienaar has been appointed chief executive. Mr Herman Roux and Mr Ged Grainger have been appointed deputy general managers with responsibilities for the international and domestic banking divisions respectively. Mr Cliff Wilkins has been appointed manager of the international division. Mr D. W. Kendrick has been appointed a director.

★

The Butler money broking group and Harlow Meyer Savage and Co, members of the Mills and Allen International group, have formed BUTLER HARLOW (FINANCIAL FUTURES) to trade on the London International Financial Futures Exchange (LIFFE), which commences operations on September 30. Mr David Pippard, a director of Butler Till, is managing director of the new company. Mr Howard Gilbert is appointed director in charge of dealing operations and Mr Peter Scott director responsible for overseas development.

★

Mr Ian Herman has been appointed the first managing director of BIRMINGHAM TECHNOLOGY, a new company formed by Birmingham City Council, Aston University and Lloyds Bank to establish Aston Science Park—described as "a nursery for high technology business development."

★

Mr R. L. Woodworth will become managing director of DAVY McKEE (STOCKTON) on October 1. He succeeds Dr K. H. Hoyle who moves to Cleveland, Ohio, where he will lead Davy McKee's minerals and metals engineering activities in the U.S.

★

Sir Denis Marshall has been appointed a member of the CRIMINAL INJURIES COMPENSATION BOARD. He was president of the Law Society 1981-82.

★

Mr W. J. A. Payne has been appointed a director of QUBIT UK, positioning consultants and suppliers of integrated navigation systems and interfacing. Formerly general manager, he will continue with overall responsibilities for all European operations and specific direction on interfacing production and development.

More appointments, Page 20

BUILDING SOCIETY RATES

	Deposit rate %	Share accounts %	Sub'pn shares %	*Term shares %	
Abbey National	7.50	7.75	9.00	9.25	1-year high option, 9.25 6 years sixty plus, 8.50 min. £100, 7 days' notice no interest loss
Aid to Thrift	8.50	8.75	—	—	
Alliance	7.50	7.75	9.50	9.25	4 years, 9.25 £500 min. 2 mths.' not. or £100 + 60 days' int. pen.
Anglia	7.50	7.75	9.00	9.25	3 yrs., 2 mths.' withdrwl. notice
Birmingham and Bridgwater	8.50	8.75	10.25	10.75	5 years, 9.85 2½ years
Bradford and Bingley	7.25	7.75	9.00	8.75	1 m. not. or on dem. (int. pen.)
Britannia	7.50	7.75	9.00	9.25	Option Bond, 9.00 2 mths.' not.
Burnley	†7.50	7.75	9.00	9.25	3 yrs., 2 m. not.; 8.75 1 m. not.
Cardiff	7.50	8.50	9.25	—	
Cardiff	—	‡9.00	—	—	‡ Share a/c bal. £10,000 & over
Catholic	7.50	8.00	9.00	9.25	3 mth. notice £5,001+ 9.50
Century (Edinburgh)	8.15	8.65	—	10.15	2-4 years
Chelsea	7.50	7.75	9.00	9.50	3 yrs.—90 d. not. on amt. wdn.
Cheltenham and Gloucester	7.50	7.75	9.00	—	
Cheltenham and Gloucester	—	8.75	—	—	Gold Account. Savings of £1,000 or more. No notice—No penalty
Citizens Regency	8.50	9.00	10.25	10.75	5 y., 10.05 3 m. not./1m. int. l'ss
City of London (The)	7.75	8.10	9.25	9.25	C.C. shs.—4 mths.' not.—no pen.
Coventry Economic	7.50	7.75	9.25	9.50	4 yrs., 9.25 3 yrs., 9.00 3 mths.
Derbyshire	7.50	7.75	9.00	8.25-8.85	(3 months' notice)
Gateway	7.50	7.75	9.00	9.25	3 years
Gateway	—	8.75	—	—	Plus a/c £500 min. int. ½-yearly
Guardian	7.50	8.00	—	9.75	6 mth., 9.25 3 mth., £1,000 min.
Halifax	7.50	7.75	9.00	—	Min. £500. 1½% prem., gntd. 5 yrs., 3 mths.' not. interest pen.
Heart of England	7.50	7.75	9.00	—	1 m. not. 8.75, flexi tm. 5 y. 9.25
Hearts of Oak and Enfield	7.50	8.00	9.50	9.75	5 yrs., 9.25 6 mth., 9.00 4 mth.
Hemel Hempstead	7.50	7.75	9.00	9.75	3 years, 9.50 3 months
Hendon	8.00	8.75	—	9.50	6 months, 9.25 3 months
Lambeth	7.50	8.00	9.50	10.00	5 years, 9.75 6 months' notice
Leamington Spa	7.60	7.85	10.65	9.35	1 year
Leeds and Holbeck	7.50	7.75	9.50	9.75	5 yrs., 8.75 1 month int. pen.
Leeds Permanent	7.50	7.75	9.00	9.25	3 yrs., E.I. a/c £500 min. 8.75
Leicester	7.50	7.75	9.00	9.25	3 years, 8.75 3 months
London Grosvenor	7.00	8.25	11.00	8.75	3 mths.' notice 1 mth. int. pen.
Midshires	7.50	7.75	9.00	9.25	1 year, 3 months' notice, no pen.
Mornington	8.30	8.80	—	—	
National Counties	7.75	8.05	9.05	9.75	6 mths., min. deposit £500, 9.00 1 mth. min. deposit £500
Nationwide	7.50	7.75	9.00	9.25	3 yrs., £500 min. imm. wdl. with penalty. Bonus a/c 8.75 £500 min. imm. wdl. with penalty
Newcastle	7.50	7.75	9.00	9.75	4 yrs., 8.75 28 days' notice, or on demand 28 days' int. penalty
New Cross	8.25	8.50	—	8.50-9.00	on share accs., depending on min. balance over 6 months
Northern Rock	7.50	7.75	9.00	8.75	High Int. Share 9.25 3 yrs.
Norwich	7.50	7.75	9.00	8.75	3 yrs., 8.50 2 yrs.
Paddington	8.25	9.25	10.75	10.25	1 month's notice
Peckham	8.25	8.50	—	9.00	2 y., 9.5 3 y., 10.0 4 y., 8.75 Bns.
Portsmouth	7.85	8.05	9.55	9.90	5 yrs., 9.50 6 mths., 9.00 1 mth.
Property Owners	8.75	9.25	10.55	10.75	4 yrs., 10.75 6 mth., 10.25 3 mth.
Provincial	7.50	7.75	9.00	9.25	3 years, 8.75 1 month
Scarborough	7.50	7.75	9.00	8.75	Money Care, not notice, no pen., plus free life cover
Skipton	7.50	7.75	9.00	8.85-9.00	(1 mth.), 9.25 3 yrs.
Sussex County	7.65	7.90	9.65	8.40-9.40	all with wdl. option
Sussex Mutual	7.75	8.10	9.75	8.50-9.75	
Town and Country	7.50	7.75	9.00	9.50	3 yrs., 60 days' wdl. notice; 9.00 imm. wdl. 28 days' interest loss
Wessex	7.75	8.50	—	—	
Woolwich	7.50	7.75	9.00	9.25	90 days (int. loss), 8.75 immed. access (int. loss) or 28 dys.' not.
Yorkshire formerly Huddersfield & Bradford and West Yorkshire	7.50	7.75	9.00	9.25	5 yrs., 9.25 4 yrs., 8.75 3 yrs., 8.25 2 yrs., 9.00 Golden key 28 days' penalty interest

* Rates normally variable in line with changes in ordinary share rates.
† Rates from October 1
All these rates are after basic rate tax liability.

Companies and Markets

WORLD STOCK MARKETS

NEW YORK

Early 5.88 loss on Wall St

FURTHER LOSSES were recorded in sluggish trading on Wall Street yesterday, when the market reflected investor concern about interest rate trends.

By 1 pm the Dow Jones Industrial Average was down 5.88 to 919.89, cutting its rise on the week to a mere 2.95, while the NYSE All Common Index, at $70.81, shed 17 cents on the day but was still up 47 cents on the week. Declines led advances by a six-to-five majority. Volume totalled a modest 43.09m (51.03m) shares.

Analysts said investors were moving out of the market ahead of the Weekly Money Supply figures, due after the close. The M-1 measure is expected to show a slight decline, which would not offset last week's $4.3bn increase.

M-1's growth rate is currently well above Federal Reserve targets, and analysts said investors are worried that the Fed may tighten credit restraints, which could in turn push interest rates higher.

Semiconductor stocks were weak in response to negative Press reports. Among the losers were Motorola off $1½ to $73½, Texas Instruments $1⅜ to $96¾ and National Semiconductor $¾ to $17¾.

El Paso Corp had one of the biggest gains, rising $2¼ to $21¼ in heavy trading. The company said it could not explain the activity in its stock.

Pogo Producing moved up $1½ to $24½ and Enterra improved $1¾ to $22¾.

THE AMERICAN SE Market Value Index shed 0.56 to 290.36, reducing its rise on the week to 1.23. Trading volume decreased 242,000 shares to 2.598m, compared wtih 1 pm Thursday.

Canada

Stocks were lower at mid-session in uneventful trading yesterday.

The Toronto Composite Index was off 5.8 at 1,642.3. Metals and Minerals 11.8 at 1,481.1, Oil and Gas 19.3 at 2,837.6 and Golds 26.3 at 2,674.0. But Banks firmed 0.31 to 305.60 and Utilities 0.13 to 214.24.

Massey-Ferguson, up 5 cents at $2.16, expects to conclude its debt restructuring talks and make an announcement by early next week.

Dome Petroleum, halted Thursday at $5¼, is discussing the refinancing proposal made to it by its Canadian Banking Group and the Government.

Closing prices for North *America* were not available for this edition.

Tokyo

After fluctuating narrowly, prices closed slightly lower in thin trading. Turnover 180m (220m) shares.

Due to Wall Street's retreat Thursday and the yen's decline to its lowest level in almost five years in Tokyo Friday, however, the market was spiritless.

Traders noted, though that a sizable number of Foreigners hunted bargains during the day despite the yen's weakness. They speculated that Foreigners apparently thought the Japanese currency may now have approached the bottom and may start acquiring strength again.

Many Blue Chips lost ground, in part because of profit taking by individual market players.

Sharp rose 7 to Y897 on news that strong video tape recorder sales and favourable Foreign Exchange conditions may boost pre-tax earnings 20 per cent from a yea rearlier in the first half of this fiscal year ending this month.

Sumitomo Metal Mining leaped ahead on a decision by Exchange Authorities to lift restrictions on Sumitomo's price fluctuations.

The yen's fall sent Oils down across a broad front. Traders explained that many investors had been disappointed by the Japanese currency that weakened despite U.S. interest rate declines.

Germany

Most shares closed easier as political uncertainty ahead of Sunday's key election in Hesse reduced orders to a trickle, prompting professionals to reduce their positions ahead of the weekend.

Among Banks, failing to draw strength from Thursday's reflation of Bundesbank policy, Deutsche fell DM 2.40 to 258.

Metallgesellschaft jumped DM 10 to 219 in a thin market.

Engineerings were mixed, with Linde up DM 2.50 at 296.50 but MAN down DM 3 at 147. Steels had Thyssen down Dm 3.40 at 80.80.

Paris

Firmer in active trading with sentiment boosted by Thursday's beginning of the new monthly account.

Banks and Motors were strongly higher. Portfolios, Electricals and Metals were mixed. Rubbers, Engineerings, Constructions, Stores, Oils and Chemicals fell in value.

Americans, Dutch and Gold Mines rose, while Germans, Japanese, Oils and Coppers were mixed.

Milan

Generally lower, although late action reduced extent of earlier losses.

Sales, which prevailed in light volume, especially hit issues of the Banco Ambrosiano Group, on renewed fears of negative effects on subsidiaries of the liquidated bank following a progressing penal investigation into the case.

Centrale, off L108 at L2,430, and Toro Assicurazioni, off L95 at L10,650, were as a result among the big losers of the day as well as some leading Insurance issues such as Generali and RAS.

Also companies of the Pesenti Group, Italmobiliare and Italcementi, posted significant declines.

Fiat and subsidiaries of its group held mainly firm following its net consolidated profit of L90.1bn in 1981 and that a roughly equal profit was expected for 1982.

Switzerland

Narrowly mixed after being lower for most of the day. No *fresh factors affected trading.*

Sentiment in the Banking and Industrial sectors was dampened by the morning's sharp rise of the dollar, while Insurances and Financials ended barely steady.

The Swiss Bond Market continued its recent uptrend, with interest forcussed on "high quality" Domestic issues.

Among Foreign shares, Dollar stocks closed mostly below overnight New York closing levels. Dutch Internationals continued firm, Germans were mixed.

Hong Kong

Stocks closed little changed.

Prices fluctuated throughout the day on different interpretations towards the outcome of Sino-British talks on Hong Kong taking place in Peking.

Singapore

Share prices edged higher partly on takeover rumours involving "second-" and "third line" Malaysian companies.

Hotels, Properties and Commodities were better, when traded.

Australia

After eight successive daily gains, markets finally eased, with Resource issues weakening sharply. To some degree markets reflected overnight Wall Street and London weakness as well as the indecisive state of World Bullion Markets.

Locally, it became apparent that the recession has finally caught up with the Motor Industry, as BHP—off 6 cents at A$7.60 — announced Thursday that it was laying off workers at its Woolongong coal mines.

Gold Mines were all slightly easier and some Base Metal Heavies came off the top. Oil and Gas leaders of the early part of the week, Santos, Vamgas and Magellan all fell to profit-taking.

TNT declined on its profit report. While the International Transport Group earned a record A$63m in the year to June 30, margins were clearly under pressure in the last quarter and the outlook for the rest of the calendar year isn't good.

CANADA

Stock	Sept. 23	Sept. 22
AMCA Intl	18¼	18
Abitibi	18¼	18½
Agnico Eagle	11¼	11¼
Alcan Alumin	26⅞	27¾
Algoma Steel	27¼	27⅝
Asbestos	11¼	11⅛
Bk Montreal	[illegible]	[illegible]

DENMARK

Sept. 24	Price Kr.	+ or —
Andelsbanken	117	.....
Baltica Skand	373	+8
CopHandelsbank	127.0	.....
D. Sukkerfab	366	.....
Danske Bank	127.0	.....
East Asiatic	82.6	+0.2
Forende Brygg	597.2	+3.2

HOLLAND (continued)

Sept. 24	Price Frs.	+ or —
Gist.-Brocades	82	—0.2
Heineken	68.7	+2
Hoogovens	15.1	.....
Hunter Douglas	7.7	—0.6
Int Muller	16.9	+0.2
KLM	88.5	—0.3
Naarden	21.6	+0.5

AUSTRALIA

Sept. 24	Price Aust. $	+ or —
ANZ Group	3.88	+0.05
Acrow Aust	1.40	.....
Ampol Pet	1.30	—0.02
Assoc. Pulp Pap	1.55	+0.03
Audimco	0.09	.....
Aust. Cons. Ind	1.29	—0.01
Aust. Guarant.	2.35	—0.05
Aust. Nat. Inds	2.18	—0.02

JAPAN (Continued)

Sept. 24	Price Yen	+ or —
Kubota	328	.....
Kumagai	394	+3
Kyoto Ceramic	3,830	+3
Lion	337	+2
Maeda Const	515	—2
Makita	740	—5
Marubeni	277	+1
Marudai	511	—4
Marui	875	+5

Indices

NEW YORK

DOW JONES

STANDARD AND POORS

MONTREAL

NEW YORK ACTIVE STOCKS

FRANCE

ITALY

GERMANY

NORWAY

SPAIN

SWEDEN

HONG KONG

SINGAPORE

SOUTH AFRICA

BRAZIL

AUSTRIA

BELGIUM/LUXEMBOURG

SWITZERLAND

HOLLAND

JAPAN

INTERNATIONAL COMPANIES AND FINANCE

UNAUTHORISED DEALINGS IN SINGAPORE

Exchange loss for Dai-Ichi Bank

BY RICHARD HANSON IN TOKYO

DAI-ICHI Kangyo Bank, Japan's largest bank, has discovered a Y9.7bn ($37m) foreign exchange loss run up by an executive of its Singapore branch in almost four years of secret trading.

This is the largest foreign exchange loss on record for a Japanese bank. DKB said yesterday it will cover the loss with the sale of internal reserves of securities.

The incident, though extremely embarrassing, is not expected to hurt the bank's profits this year. The loss shall "in no way impede" international operations, said the bank.

The incident dates back to the dollar crisis of late-1978, when President Jimmy Carter shocked international exchange markets on November 1 with a strong package of measures to defend the U.S. currency. In October the yen had soared to a record Y175.50 to the dollar.

DKB's Singapore foreign exchange chief, Mr H. Kanda, speculated that the yen would continue to strengthen despite the Carter measures. The yen, however, suffered a sharp setback. Mr Kanda's loss snowballed as he tried over almost four years to make it good with further currency speculation.

The bank explains that Mr Kanda, who was dealing beyond his authorised limits, produced false daily reports of the branch's exchange position from then until his transfer back to the Tokyo headquarters this summer.

An investigation of the Singapore branch's low profitability finally revealed the extent of the losses, which continued to grow buried deeply in Mr Kanda's books.

In addition to Mr Kanda's dismisal, past Singapore branch managers have been penalised for failing to provide adequate supervision. The directors of DKB, in a gesture of responsibility, have also decided to forego an annual bonus this year.

DKB is the world's ninth largest bank, with assets of more than Y24,000bn ($91bn) at March 31. Officials emphasised that the scale of the loss—though large by any standards—poses no threat to its profitability. DKB made Y85.7bn in pre-tax profits in the year ended March and expects to equal that performance this year. The bank decided it best to write off the entire loss in the half year ending September 30 as a "special loss," and to make a complete public disclosure.

The Ministry of Finance said the incident was not a violation of Japanese law. The authorities, however, are expected to question carefully whether DKB has lived up to its responsibilities for prudent management.

Steady first half for Swire Pacific

By Robert Cottrell in Hong Kong

SWIRE PACIFIC, the diversified Hong Kong trading company whose subsidiaries include Swire Properties and Cathay Pacific Airways, reports near-static interim profits. After tax and minority interests, profits of HK$200.9m (US$32.8m) for the six months ended June, 1982, compare with HK$194m.

There were no extraordinary items. The dividend is maintained, at 24 cents per "A" share and 4.8 cents per "B" share.

Mr Duncan Bluck, chairman, says the current half performance will be better than the first, but profits for the whole year will still fall short of the HK$728m after tax seen in 1981. The total dividend however, is expected to at least equal the 76 cents a share paid last year on the "A" shares, and 15.2 cents on the "B" shares.

Mr Bluck says the main feature of the half-year has been the diminished—though still dominant—contribution from the property division, but with other operations making up the shortfall. Swire Properties recently reported interim profits for the period of HK$176.9m after tax and minorities, down from HK$203m.

Cathay Pacific achieved a 24 per cent capacity increase over first-half 1981, but competition and exchange rates kept profitability below forecast levels. Hongkong Aircraft Engineering Company profits were up on first-half 1981, but a quarter lower than second-half 1981.

Demand for new property in Taikooshing, where 468 units were sold in the half-year, is expected to increase with the completion of the Mass Transit rail link towards the end of next year. Investment properties in Hong Kong are virtually fully let. Swire Properties' full-year profits are likely to show a decline.

Coco-Cola Bottling showed appreciable profit increases. A new trading division, comprising Swire and Maclaine, and a half-interest in Swire Loxley, had a quiet first half, and its full-year results are likely to be depressed.

Rhone-Poulenc reduces losses at halfway stage

BY DAVID WHITE IN PARIS

THE FIRST results for France's Rhône-Poulenc chemical group since nationalisation show a return to profit in the first half of this year.

However, the earnings figure of FFr 355m ($70m), which follows annual losses in 1980 and 1981, reflects gains from the sale of the 20 per cent stake in Morton-Norwich of the U.S.

This disposal, provoked by the U.S. company's decision to sell its pharmaceuticals division to Procter and Gamble, brought in the bulk of FFr 407m worth of exceptional gains.

Operating results remained in deficit, but the loss was down sharply to FFr 52m, compared with FFr 281m in the same period last year. The company said that if it had maintained its previous accounting method for operations denominated in foreign currencies, operating results would have passed the breakeven point.

Charges relating to the group's restructuring programme, which principally involves cuts in its loss-making textiles division, were met by drawing on provisions that had already been set aside, the company said.

Under the chairmanship of M Jean Gandois, who stayed on in the job until July this year, the group had already cut its net loss to FFr 335m last year after a gaping deficit of FFr 1.9bn in 1980.

Turnover in the first six months was 16.5 per cent up on the same 1981 period at FFr 20.8bn.

Rhone-Poulenc has been selected to play a major role in the Government's efforts to restructure France's chemical industry, but the group has been plagued by chronic difficulties in the chemical and textile sectors.

The company has announced a plan to restructure its operations in an effort to trim costs.

Shell Canada steps up Nova Scotia outlays

By Nicholas Hirst in Toronto

SHELL CANADA RESOURCES, a subsidiary of the Royal Dutch group and operator of a consortium including the Government-owned Petro-Canada, is increasing its exploration programme in the hostile waters of Nova Scotia.

Shell has agreed with the province of Nova Scotia and the Canadian Federal Government to drill nine new wells in addition to the six announced earlier this year. The consortium will spend an estimated C$551m (U.S.$452m) to bring the total programme to a cost of C$814m.

Under the agreement the drilling must be completed within three years, but there can be an extension of a further 12 months on two blocks.

Mr Gean Chretien, the recently-appointed Federal Energy Minister, said that he expected new drilling agreements in the area to be announced shortly. Currently about C$2bn is committed to exploration in the offshore waters.

The interest in drilling off Nova Scotia, primarily thought to be a natural gas region, contrasts with the equally promising but environmentally more difficult offshore Newfoundland area. The federal and Newfoundland governments are in dispute over who has rights over the acreage.

Sandvik plans more closures

BY WILLIAM DULLFORCE, NORDIC EDITOR, IN STOCKHOLM

SANDVIK, the cemented carbide and steel group, is closing three plants and laying off some 1,000 workers in its home country, Sweden.

Orders booked have been inadequate since April and May and last month Sandvik disclosed a SKr 111m slump to SKr 103m ($16.6m) in first-half earnings.

A 10-year record of steady profit growth was broken last year when earnings tumbled to SKr 519m from SKr 746m in 1980. In the half-year report last month, Sandvik stated that two subsidiaries, the Disston Company in the U.S. and Eurotungstene in France, would be closed down or sold if they did not achieve "acceptable economic results" by the end of 1983.

The management plans to reduce the work force at Eurotungstene by 500. In the U.S. some 600 employees have already been dismissed and rationalisation is continuing. Over a period of more than two years Sandvik's labour force in Britain has been cut by about 900.

Mr Lennart Ollen, the managing director, said in harsher business conditions Sandvik had to be more effective. But reductions in staff should not be taken as a sign that the company was in crisis.

The cemented carbide business, which generated earnings of SKr 546m last year and contributed over half of group sales of SKr 8.9bn, is expected to turn in "slightly lower" profits this year. The main problems, however, lie in the steel products and in the tools division.

Some 90 per cent of Sandvik's sales take place outside Sweden. The personnel reductions announced this week are the first to be effected in Sweden since 1957. They affect 600 of the 7,000 employees at Sandvik itself and the staff of a file manufacturing factory in Eskilstuna, a saw blade works at Sveg and a cemented carbide plant at Tierp.

More aid for Hoogovens

BY WALTER ELLIS IN AMSTERDAM

THE OUTGOING Dutch government of Mr Dries Van Agt has agreed in principle to grant further financial aid to Hoogovens, the Netherlands' largest steelmaker. No amount was mentioned by the government, but Hoogovens announced in June that it would require Fl 1bn to enable it to carry out a three-year restructuring programme worth Fl 3.2bn ($1.2bn).

Aid on this scale would have to be cleared by the European Commission in Brussels, which is seeking to prevent member states from giving their national steelmakers unfair production subsidies. The money, if endorsed by Brussels, would have to be used to purchase new plant and equipment and could not legally be employed to boost the competitiveness of Dutch steel.

In July of this year, Hoogovens and Hoesch Werke of West Germany announced the terms of their long-disputed de-merger. As Estel, the two steelmakers ran up losses of Fl 893m in 1981 and debt of Fl 1.52bn—Fl 946m at Hoesch and Fl 570m at Hoogovens.

The two concerns remain in dispute over the allocation of their joint EEC steel production quota. Hoogovens claims that the 330,000 tonnes of steel in question must reside with it as the original producer. It argues that Hoesch transformed the Dutch steel into semi-finished products.

Belgian metals group in loss

By Our Financial Staff

ROYALE Asturienne des Mines, the Belgian metals and mining group, is calling a special shareholders' meeting following accumulated losses equivalent to half its share capital.

A provisional 1982 first-half loss of BFr 534m ($11m) brings accumulated losses net of reserves to the equivalent of half of the group's nominal capital of BFr 1.2bn, the company said in a statement.

As a result, Asturienne said it was ending discussions with Societe de la Vieille-Montagne, another non-ferrous metals manufacturer, about a possible merger.

A restructuring plan is under study following the latest losses. The holding company Societe Generale de Belgique, which has interests in both Asturienne and Vieille-Montagne was understood to be seeking the merger in order to consolidate its metals interests.

Asturienne's half-year losses compare with profits of BFr 138.7m in 1981.

Strong growth at Faber Merlin

BY WONG SULONG IN KUALA LUMPUR

FABER MERLIN, the Malaysian hotel and property group, has reported a sharp rise in pre-tax profits for the year ended June to 14.6m ringgit (US$6.2m) from 6.2m ringgit. Turnover rose by 64 per cent to 82m ringgit.

Profit attributable to shareholders rose to 8.8m ringgit from 3.2m ringgit because of a lower tax charge.

The bulk of the earnings came from the hotel division, which enjoyed a buoyant year. Its 14 hotels, with a total of 3,000 rooms, had occupancy rates exceeding 70 per cent.

Earnings were also boosted by the sale of a piece of land in Johore state to Supreme Corporation for 13.5m ringgit, from which a profit of 7m ringgit was obtained.

Final dividend is 4 cents a share making 7.5 cents for the year on the enlarged capital of 131m ringgit compared with 6 cents on the old capital of 87m ringgit.

The group is confident of maintaining its profit for the current year despite the Malaysian recession, as its hotels continue to enjoy good occupancy rates because of the shortage of hotels in Malaysia and income from property development would also be forthcoming.

SHK Properties lifts dividend

BY OUR HONG KONG CORRESPONDENT

SUN HUNG KAI Properties reports profits for the year to June 30 of HK$ 717.4m after tax, minorities and extraordinary items, against the previous year's HK$ 917.2m.

Net earnings before extraordinary items were slightly up at HK$ 671.2m from HK$ 629.4m, but extraordinary gains fell sharply from HK$ 287.9m to HK$ 46.2m.

The final dividend of 40 cents makes 64 cents a share for the year, a 25 per cent increase adjusted for the intervening one-for-four scrip issue. But while basic earnings per share were ahead at HK$ 1.33 from HK$ 1.29, diluting for the intervening issue of convertible preference shares reduces earnings for the period under review to HK$1.24.

MR T. S. KWOK, chairman, says earnings in the current year may show a decline, but should nonetheless be "satisfactory."

COMMODITIES AND AGRICULTURE

Coffee moves ahead after pact decision

BY OUR COMMODITIES STAFF

WORLD coffee prices rose strongly this week on the news that the deliberations of the International Coffee Organisation (ICO) had ended positively with decisions on Wednesday evening to both extend the current agreement until September 1983 and to start from then a new six year pact.

Late yesterday the ICO council was still meeting to resolve the final technical details of the 1982/83 global export quota and the division of the 1m bags (of 60 kilos each) released last week when the Organisations average price rose above 120 cents per lb.

The price rise was sufficiently strong to see the November position on the London futures market break through the £1,400 per tonne level during trading yesterday. November closed, however, slightly down on the days highs at £1,395 per tonne, up £56 on last Friday and at the highest level since July 16, 1980.

A substantial premium for the nearby position, September and November, over January and subsequent months reflects a shortage of readily available supplies.

The week saw an "improved tone in the world market" for sugar according to London traders C. Czarnikow in their market report. The London daily price surprised some by rising off its low £83 level of last Friday to end the week at £88 per tonne for raws.

Persistent rumours that Russia was about to start buying clearly helped to improve sentiment.

On the London futures market the active March position closed at £112.475 per tonne up £4.525 on the week.

Base metal prices were generally depressed across the week along with gold. Bullion closed yesterday at its lows, at $428 per troy ounce, down $13.5 on last Friday.

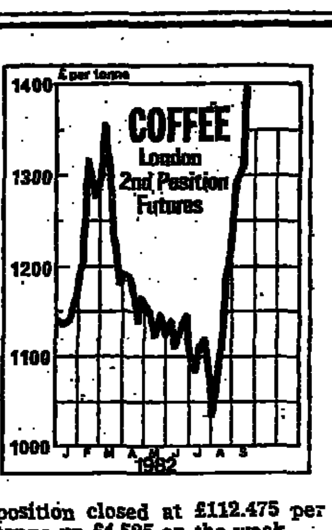
Confirming this trend was the announcement yesterday by Asarco of a 1 cent cut in its copper price, following a ¾ cent cut earlier in the week, and a ½ cent cut in its lead producer price. Asarco is now selling copper at 67 cents per pound and lead at 24.5 cents per pound.

The copper price fall followed heavy selling early in the week which pushed three months down through the £850 per tonne chart point in London on Monday.

Zinc was the one exception to the falling trend of base metals ending the week up £4.50 with producer price rises being announced yesterday by Hudson Bay Mining of 2 cent per pound in the U.S. and up to $850 per tonne, from $800, for outside of North America.

Producer-inspired support buying was the main reason given by traders for this against the trend move by zinc.

Tin, which began the week with a rally caused by the International Tin Council's buffer stock managers' support buying, was unable to hold the higher price it reached on Monday of £7,360 per tonne and closed slightly down on last week at £7,260.50.



INDICES

FINANCIAL TIMES

Sept. 23	Sept. 22	M'th ago	Y'ar ago
250.51	259.47	251.00	259.08

(Base: July 1 1952 = 100)

REUTERS

Sept. 24	Sept. 23	M'th ago	Y'ar ago
1515.9	1518.6	1529.1	1674.3

(Base: September 18 1931 = 100)

MOODY'S

Sept. 23	Sept. 22	M'th ago	Y'ar ago
999.9	999.3	1014.6	1018.1

(December 31 1931 = 100)

DOW JONES

Dow Jones	Sept. 22	Sept. 21	Month ago	Year ago
Spot	127.57	125.64	129.76	—
Fut's	133.01	132.27	132.36	—

(Base: December 31 1974 = 100)

WEEKLY PRICE CHANGES

	Latest prices per tonne unless stated	Ch'nge on week	Year ago	1982 High	1982 Low
METALS					
Aluminium	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Free Market c.i.f.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Antimony	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Free Market 99.6%	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Copper-Cash High Grade	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
3 months Do. Do.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Cash Cathode	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
3 months Do.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Gold per oz.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Lead Cash	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
3 months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Nickel	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Free Market c.i.f. lb.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Platinum per oz.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Free Market per oz.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Quicksilver (76 lbs)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Silver per oz.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
3 months per oz.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Tin cash	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
3 months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Tungsten ind	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Wolfram (22.04 lb.)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Zinc cash	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
3 months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Producers	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
GRAINS					
Barley Futures	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Maize French	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
WHEAT Futures	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Hard Winter Wheat	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
SPICES					
Cloves	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Pepper, white	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Black	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
OILS					
Coconut (Philippines)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Groundnut	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Linseed Crude	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Palm Malayan	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
SEEDS					
Copra (Philippines)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Soyabeans (U.S.)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
OTHER COMMODITIES					
Cocoa Shipment	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Cocoa Futures Dec.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Coffee Futures Nov.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Cotton Index	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Des. Desiccated	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Gas Oil Fut. Oct.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Jute UA BWC grade	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Rubber kilo	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Sisal No. 3	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Sugar (Raw)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Tapioca	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Tea (quality) kilo	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
(plain) kilo	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Woolt'ps 64s Warp	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Unquoted. (g) Madagascar. (x) October. (w) January. (v) September-October. (u) October-November. * Nominal. § Ghana cocoa.

BASE METALS

Amalgamated Metal Trading reported that in the morning cash Higher Grade traded at £827.00, 26.50, three months [illegible]. Kerb: Higher Grade: Three months [illegible]. Afternoon: Higher Grade: Three months [illegible]. Kerb: Higher Grade: Three months [illegible]. Turnover: 30,800 tonnes.

COPPER	a.m. Official	+ or −	p.m. Unofficial	+ or −
HighGrde	£	£	£	£
Cash	826-7	−11	823.5-4.5	−12.5
3 months	841.5-2	−11	838.5-9	−11
Settlem't	827	−11	—	
Cathodes				
Cash	799-.5	−12.7	796-7	−12.7
3 months	819-20	−12	816.5-7	−14
Settlem't	799.5	−12	—	
U.S. Prod	—		*70-75	

Tin—Morning: Standard, cash £7,230, 35, 35, three months £7,190, 80, 7,200, 7,190, 7,200, 7,195, 7,200, 10. Kerb: Standard: Three months £7,205. Afternoon: Standard: Three months £7,200. Kerb: Higher Grade: Three months £7,210, 20. Turnover: 2,010 tonnes.

TIN	a.m. Official	+ or −	p.m. Unofficial	+ or −
High Grade	£	£	£	£
Cash	7240-50	+2.5	7255-65	+32.5
3 months	7210-25	−7.5	7215-20	+25
Settlem't	7250	+5	—	
Standard				
Cash	7235-40	+5	7250-60	+32.5
3 months	7200-5	−7.5	7205-10	+20
Settlem't	7240	+5	—	
Straits E	$29.51	+0.01	—	
NewYork	—			

Lead—Morning: Cash [illegible], three months [illegible]. Kerb: Three months [illegible]. Afternoon: Cash [illegible], three months [illegible]. Kerb: Three months [illegible]. Turnover: 10,300 tonnes.

LEAD	a.m. Official	+ or −	p.m. Unofficial	+ or −
	£	£	£	£
Cash	298.5-.75	−2.12	296-.5	−4.25
3 months	309.5-.75	−1.62	307-.5	−4.37
Settlem't	298.75	−2.25	—	
U.S. Spot	—		*28-8	

Zinc—Morning: Three months [illegible]. Kerb: Three months [illegible]. Afternoon: Three months [illegible]. Kerb: Three months [illegible]. Turnover: 9,850 tonnes.

ZINC	a.m. Official	+ or −	p.m. Unofficial	+ or −
	£	£	£	£
Cash	433-.41	+5	433.5-4.5	+.25
3 months	447-.8	+1	447-8	
Settlem't	441	+1	—	
Primw'st	—		*37-40.5	

Aluminium—Morning: Three months [illegible]. Kerb: [illegible]. Afternoon: Three months [illegible]. Kerb: Three months [illegible]. Turnover: 33,675 tonnes.

Alumin'm	a.m. Official	+ or −	p.m. Unofficial	+ or −
	£	£	£	£
Spot	549.5-.1	−15.5	550-.2	−4.5
3 months	566-7	−19.5	566-7	−7.25

Nickel—Morning: Three months £2,480, 75, 75, 70. Kerb: Three months [illegible]. Afternoon: Three months [illegible]. Kerb: Three months [illegible]. Turnover: 576 tonnes.

NICKEL	a.m. Official	+ or −	p.m. Unofficial	+ or −
Spot	2440-5	−35	2430-50	−70
3 months	2455-70	−25	2460-70	−27.5

SILVER

Silver was fixed 2.15p an ounce higher for spot delivery in the London bullion market yesterday at 521.8p. U.S. cent equivalents of the fixing levels were: spot 891.1c, up 2.1c; three-month 914.2c, up 2.0c; six-month 938.9c, up 1.6c; and 12-month 995.9c, up 1.2c. The metal opened at 523-526p (893-895c) and closed at 515-518p (880-885c).

SILVER per troy oz.	Bullion fixing price	+ or −	L.M.E. p.m. Unoffic'l	+ or −
Spot	521.80p	+2.15	515.5p	−8
3 months	533.50p	+2.00	528.5p	−8
6 months	545.90p	+1.90	—	
12 months	572.20p	+0.90	—	

LME—Turnover 68 (170) lots of 10,000 ozs. Morning: Three months [illegible]. Kerb: [illegible]. Afternoon: Three months [illegible]. Kerb: Three months 530.0.

COCOA

COCOA	Yesterday's Close	+ or −	Business Done
	£ per tonne		
Sept.	952-55	−1.0	962-55
Dec.	982-83	+1.0	988-80
March	1015-17	+3.5	1020-12
May	1035-36	+3.5	1040-33
July	1053-54	+3.5	1054-50
Sept.	1071-74	+5.0	1075-70
Dec.	1091-93	+5.5	1090

Sales: 1,915 (1,550) lots of 10 tonnes.

ICCO—Daily price for Sept 23: 76.71 (75.75); Indicator price for Sept 24: 76.86 (77.47).

COFFEE

COFFEE	Yest'day's Close	+ or −	Business Done
Sept.	1528-30	+63.5	1560-95
Nov.	1394-96	+57.5	1405-33
January	1258-60	+18.0	1276-50
March	1198-99	+10.5	1213-94
May	1142-44	+7.0	1156-35
July	1106-08	+5.5	1120-99
Sept.	1077-78	+0.5	1096-75

Sales: 5,509 (2,516) lots of 5 tonnes. ICO Indicator prices for Sept 23: (U.S. cents per pound): Comp daily 1979 124.08 (124.03); 15-day average 121.69 (121.22).

GRAINS

Mnth	WHEAT Yest'rdy's close	+ or −	BARLEY Yest'rdy's close	+ or −
Nov.	111.95	+0.25	107.75	+0.15
Jan.	115.55	+0.25	111.50	+0.10
Mar.	119.00	+0.25	114.60	+0.10
May	122.15	+0.25	117.60	+0.20
July	124.55	+0.25	—	

HGCA—Locational ex-farm spot prices. Other milling Wheat: E. Mids. 114.00. Feed barley: N. East 100.30, Scotland 99.80. The UK monetary coefficient for the week beginning Monday, September 30, is expected to remain unchanged.

Business done—Wheat: [illegible]. Sales: 403 lots of 100 tonnes.

Barley: Nov 107.75-107.65, Jan 111.50-111.35, March 114.60-114.30, May 117.50-117.30. Sales: 191 lots of 100 tonnes.

LONDON GRAINS—Wheat: U.S. Dark Northern Spring No. 1 14 per cent Oct 111.75, Nov 114, Dec 115.25 transhipment East Coast sellers. English Feed fob Nov 116 paid South Coast, Nov 116 paid East Coast, Jan-March 120 paid East Coast. Maize: S. African White/Yellow Sept-Oct 85 seller. Barley: English Feed fob Oct 108.25, Oct-Dec 111 East Coast sellers. Rest unquoted.

POTATOES

Month	Yesterd'y's close	Previous close	Business Done
	£ per tonne		
Nov.	56.00	56.10	56.20-55.30
Feb.	64.20	64.00	64.10-63.90
April	74.60	74.20	74.70-74.20
May	84.50	84.00	85.00-84.00
Nov.	56.80	57.30	—

Turnover: 118 (202) lots of 40 tonnes.

RUBBER

The London physical market opened easier, attracted little interest throughout the day, closed quiet. Lewis and Peat recorded an October fob price for No. 1 RSS in Kuala Lumpur of 189.25 (200.75) cents a kg and SMR 20 170.75 (171.0).

No. 1 R.S.S.	Yesterday's close	Previous close	Business Done
Oct.	[illegible]	[illegible]	[illegible]
Nov.	[illegible]	[illegible]	[illegible]
Oct-Dec	[illegible]	[illegible]	[illegible]
Jan-Mar	[illegible]	[illegible]	[illegible]
Apr-Jne	[illegible]	[illegible]	[illegible]
Jly-Sept	[illegible]	[illegible]	[illegible]
Oct-Dec	[illegible]	[illegible]	[illegible]
Jan-Mar	[illegible]	[illegible]	[illegible]
Apr-Jne	[illegible]	[illegible]	[illegible]

Sales: 264 (380) lots of 15 tonnes; 65 (70) lots of 5 tonnes.

Physical closing prices (buyers) were: Spot 47.50p (47.75p); Nov 51.25p (51.00p); Dec 51.75p.

SUGAR

LONDON DAILY PRICE—Raw sugar £88.00 (same) a tonne cif Sept-Oct-Nov shipment. White sugar daily price £111.00 (112.00).

No. 4 Contract	Yesterday's close	Previous close	Business done
	£ per tonne		
Oct.	[illegible]	[illegible]	[illegible]
Dec.	[illegible]	[illegible]	[illegible]
March	[illegible]	[illegible]	[illegible]
May	[illegible]	[illegible]	[illegible]
Aug.	[illegible]	[illegible]	[illegible]
Oct.	[illegible]	[illegible]	[illegible]
Dec.	[illegible]	[illegible]	[illegible]

Sales: 2,358 (2,148) lots of 50 tonnes.

Tate and Lyle delivery price for granulated basis white sugar was £405.50 (same) a tonne for home trade and £192.00 (same) for export.

International Sugar Agreement (U.S. cents per pound) fob and stowed Caribbean ports. Prices for Sept 23: Daily price 5.96 (5.81); 15-day average 5.76 (5.80).

LONDON OIL SPOT PRICES

	Latest	Change + or −
CRUDE OIL—FOB ($ per barrel)		
Arabian Light	33.50	+0.25
Iranian Light	—	
Arabian Heavy	31.00	+0.25
North Sea (Forties)	34.00-34.25	+0.20
African (Bonny Lt)	35.00-35.25	+0.12
PRODUCTS—North West Europe CIF ($ per tonne)		
Premium gasoline	361-365	—
Gas oil	303-312	+0.5
Heavy fuel oil	165-172	+2.5

GAS OIL FUTURES

Month	Yest'day's close	+ or −	Business Done
	$ U.S. per tonne		
Sept.	306.00	−0.25	306.00-305.75
Oct.	306.50	−1.50	311.00-305.75
Nov.	314.75	−1.25	315.00-313.75
Dec.	316.00	−1.00	318.00-315.00
Jan.	318.00	−1.50	318.00-317.00
Feb.	317.25	−0.25	—
Mar.	314.00	−1.00	—
Apr.	310.00	—	—
May	306.00		

After opening a shade weaker on the strength of the dollar, prices barely moved until light profit-taking and an easier New York produced a weaker tone, reports Premier Man. Turnover: 1,319 (3,645) lots of 100 tonnes.

AMERICAN MARKETS

NEW YORK, September 24.

Copper—Sept 61.10-61.30 (61.50), Oct 61.15 (61.55), Nov 61.85, Dec [illegible]

[illegible]

Thursday's closing prices

NEW YORK, September 23.

[illegible]

CHICAGO, September 23.

[illegible]

SOYABEAN MEAL

	Yesterdays Close	+ or −	Business Done
	£ per tonne		
October	[illegible]	[illegible]	[illegible]
Dec.	[illegible]	[illegible]	[illegible]
Feb.	[illegible]	[illegible]	[illegible]
April	[illegible]	[illegible]	[illegible]
June	[illegible]	[illegible]	[illegible]
August	[illegible]	[illegible]	[illegible]
October	[illegible]	[illegible]	[illegible]

Sales: 226 (309) lots of 100 tonnes.

MEAT/FISH

GRIMSBY FISH—Supply fair, demand good. Prices at ship's side (unprocessed) per stone: [illegible]

GOLD MARKETS

Gold fell $9¾ an ounce from Thursday's close in the London bullion market yesterday to finish at $427-428¼. The metal opened at $438-439 and traded between a high of $439-440 and a low of $425-426. The weaker trend was partly a reflection of the dollar's stronger performance.

LONDON FUTURES

Month	Yesterday's close	+ or −	Business Done
	$ per troy ounce		
[illegible]	[illegible]	[illegible]	[illegible]

	Sept. 24	Sept. 23
Gold Bullion (fine ounces)		
Close	$427¼-428¼	[illegible]
Opening	$438-439	[illegible]
Morning fixing	$436.50	[illegible]
Afternoon fixing	$431	[illegible]
Gold Coins Sept. 24		
Krugrnd	[illegible]	[illegible]
½ Krug	[illegible]	[illegible]
¼ Krug	[illegible]	[illegible]
1/10 Krug	[illegible]	[illegible]
Mapleleaf	[illegible]	[illegible]
New Sov.	[illegible]	[illegible]
½ New Sov	[illegible]	[illegible]
King Sov	[illegible]	[illegible]
Victoria Sov	[illegible]	[illegible]
French 20s	[illegible]	[illegible]
50 pesos Mex	[illegible]	[illegible]
100 Cor. Aust	[illegible]	[illegible]
$20 Eagles	[illegible]	[illegible]

EUROPEAN OPTIONS EXCHANGE

Series		Nov. Vol.	Nov. Last	Feb. Vol.	Feb. Last	May Vol.	May Last	Stock
GOLD C	$300	—	—	5	148 A	—	—	$429
GOLD C	$325	10	115 A	—	—	—	—	"
GOLD C	$400	5	49 A	5	70 A	—	—	"
GOLD C	$450	84	20	8	42 A	—	—	"
GOLD C	$475	54	14 A	—	—	83	43 A	"
GOLD C	$500	46	9	40	22	—	—	"
GOLD C	$550	5	3	22	13	7	20	"
GOLD C	$325	6	0.60	—	—	—	—	"
GOLD P	$350	5	2	5	7 B	2	10.10	"
GOLD P	$375	39	5	8	14 B	—	—	"
GOLD P	$400	33	12	—	—	—	—	"
GOLD P	$425	38	20 B	3	30	80	32 B	"
GOLD P	$450	22	37 B	—	—	—	—	"
GOLD P	$475	18	52 B	—	—	—	—	"
12¾ NL 81 87-91								
C	F.112.50	20	2.40	43	2.90	—	—	F.114.90
C	F.115	—	—	10	1.40	—	—	"
10¼ NL 80 86-95								
C	F100	10	3.40	1	—	—	—	F.103.60
11¼ NL 82 88-92								
P	F.105	—	—	—	—	2	3	F.104.70
10½ NL 82 86-89								
C	F.102.50	12	1.70	40	—	—	—	F.101.40
		Oct.		Jan.		April		
ABN C	F.240	4	5	—	—	20	12.50	F.241
ABN P	F.240	—	—	3	8	—	—	"
AKZO C	F.25	262	2.60	96	2.80	—	—	F.27.20
AKZO C	F.27.50	129	0.90	165	1.40	108	2	"
AKZO C	F.30	40	0.10	50	0.60	—	—	"
AKZO P	F.25	—	—	5	0.70	20	1.10	"
AKZO P	F.27.50	30	1	—	—	10	2.20	"
AMRO C	F.40	—	—	15	1.50	—	—	F.38
AMRO P	F.35	—	—	10	1.50	—	—	"
AMRO P	F.40	—	—	—	—	4	4	"
HEIN C	F.55	5	13.70 B	—	—	—	—	F.68.70
HEIN C	F.60	5	9	—	—	—	—	"
HEIN C	F.65	171	4	23	5.50	—	—	"
HEIN C	F.70	100	0.80	54	270	—	—	"
HEIN P	F.60	20	0.10	—	—	—	—	"
HEIN P	F.65	5	0.50	12	1.40	—	—	"
HEIN P	F.70	120	2.20	4	3	—	—	"
HOOG C	F.17.50	—	—	9	0.90	—	—	F.15.10
HOOG P	F.15	—	—	50	0.90	—	—	"
KLM C	F.90	—	—	12	5.50	—	—	F.88.50
KLM C	F.100	5	0.50	—	—	—	—	"
KLM P	F.80	—	—	10	2.20 A	—	—	"
KLM P	F.90	10	2.70	15	6	—	—	"
NEDL C	F.110	28	1	6	5	—	—	F.106.50
NEDL C	F.120	—	—	7	1	—	—	"
NATN C	F.110	1	0.90	—	—	4	4	F.107
NATN C	F.115	—	—	5	1.40	—	—	"
PHIL C	F.22.50	95	3.50	—	—	—	—	F.26
PHIL C	F.25	1151	1.20	89	1.70	77	2	"
PHIL C	F.27.50	75	0.20	98	0.70	122	0.90	"
PHIL P	F.22.50	—	—	—	—	10	0.40	"
PHIL P	F.25	—	—	20	0.70	5	1	"
RD C	F.80	20	9.60	4	11	—	—	F89.50
RD C	F.90	221	1.50	48	4.20	3	5.50	"
RD C	F.100	7	0.20	36	1.10	160	1.80	"
RD P	F.80	—	—	20	0.90	—	—	"
RD P	F.90	27	1.70	35	3.50	—	—	"
UNIL C	F.150	4	18.20 A	6	18	—	—	F.168.20
UNIL C	F.170	—	—	66	3.70	12	6	"
UNIL P	F.150	—	—	—	—	6	2.80	"
UNIL P	F.160	—	—	39	3.80	2	6	"
UNIL P	F.170	—	—	10	8.50	2	11	"
		Nov.		Feb.		May		
MANN C	DM.140	4	4.50	—	—	—	—	DM140
SIEM C	DM.230	10	32	—	—	—	—	DM249.20
SIEM C	DM.240	10	12.10	—	—	—	—	"
SIEM C	DM.260	15	2.50	12	4.60	—	—	"
VW C	DM.150	4	1.50	20	3	—	—	DM 129.70

TOTAL VOLUME IN CONTRACTS 4,995

A=Asked B=Bid C=Call P=Put

LONDON TRADED OPTIONS

September 24 Total Contracts 1,441 Calls 1,169 Puts 272

Option	Ex'rcise price	Oct. Closing offer	Oct. Vol.	Jan. Closing offer	Jan. Vol.	April Closing offer	April Vol.	Equity close
BP (c)								290p
BP (c)								
BP (c)								
BP (p)								
BP (p)								
CU (c)								131p
CU (c)								
Cons. Gld (c)								429p
Cons. Gld (c)								
Cons. Gld (c)								
Cons. Gld (p)								
Ctlds. (c)								76p
Ctlds. (c)								
Ctlds. (c)								
GEC (c)								
GEC (c)								
GEC (c)								
GEC (p)								
Gr'd Met. (c)								
Gr'd Met. (c)								
Gr'd Met. (c)								
Gr'd Met. (p)								
ICI (c)								
ICI (c)								
ICI (c)								
ICI (p)								
Land Sec. (c)								
Land Sec. (c)	300	3	17	12	—	25	—	
Mks & Sp. (c)	140	67	—	71	20	—	—	204p
Mks & Sp. (c)	160	47	—	51	1	54	—	"
Mks & Sp. (c)	180	27	39	32	34	36	5	"
Mks & Sp. (c)	200	10	112	16	25	20	20	"
Mks & Sp. (p)	180	3	—	5	4	6	—	"
Mks & Sp. (p)	200	6	20	10	24	12	2	"
Shell (c)	390	24	6	38	7	52	—	406p
Shell (c)	420	8	8	19	—	30	—	"
Shell (p)	390	9	—	16	1	20	—	"
		November		February		May		
Barclays (c)	350	43	2	—	—	—	—	385p
Barclays (c)	360	35	1	52	—	55	—	"
Barclays (c)	390	15	20	28	—	40	—	"
Barclays (c)	417	6	10	—	—	—	—	"
Imperial (c)	90	16	19	19	3	23	—	105p
Imperial (c)	100	8	156	11	67	14	—	"
Imperial (c)	110	3	131	6½	6	8	—	"
Imperial (p)	100	3½	10	5½	—	7	—	"
Imperial (p)	110	9	—	11	10	13	—	"
Lasmo (c)	360	22	8	38	16	62	—	349p
Lasmo (c)	390	10	—	26	5	45	—	"
Lasmo (p)	330	8	—	14	1	25	—	"
Lasmo (p)	390	47	—	57	5	73	—	"
Lonrho (c)	80	9	5	14	—	18	—	85p
Lonrho (c)	90	4	—	8½	8	11	4	"
Lonrho (c)	100	1½	—	3½	—	6	10	"
P & O (c)	140	6	20	11	—	16	—	133p
P & O (p)	140	11	—	14	2	16	—	"
Racal (c)	550	75	4	93	—	110	3	605p
Racal (c)	600	45	35	63	7	75	—	"
Racal (p)	550	9	1	20	—	30	1	"
Racal (p)	600	25	3	33	—	40	—	"
RTZ (c)	420	27	2	42	3	57	—	427p
RTZ (c)	460	10	5	23	—	30	—	"
RTZ (p)	390	6	2	15	—	18	—	"
RTZ (p)	420	20	13	25	—	40	—	"
RTZ (p)	460	50	—	55	3	67	—	"
Vaal Rfs. (c)	55	180	—	200	—	224	1	$71⅛
Vaal Rfs. (c)	60	140	1	160	—	180	—	"
Vaal Rfs. (c)	70	64	1	114	—	134	—	"
Vaal Rfs. (p)	70	4½	—	7½	5	8¼	1	"

C=Call P=Put

BASE LENDING RATES

A.B.N. Bank 10½%
Allied Irish Bank 10½%
Amro Bank 10½%
Henry Ansbacher 10½%
Arbuthnot Latham ... 10½%
Associates Cap. Corp.... 11 %
Banco de Bilbao 10½%
BCCI 10½%
Bank Hapoalim BM ... 10½%
Bank of Ireland 10½%
Bank Leumi (UK) plc 10½%
Bank of Cyprus 10½%
Bank Street Sec. Ltd.... 12 %
Bank of N.S.W. 10½%
Banque Belge Ltd. ... 10½%
Banque du Rhone ...... 11 %
Barclays Bank 10½%
Beneficial Trust Ltd.... 11 %
Bremar Holdings Ltd. 11 %
Brit. Bank of Mid. East 10½%
■ Brown Shipley ...... 11 %
Canada Perm't Trust ... 11 %
Castle Court Trust Ltd. 11 %
Cavendish G'ty T'st Ltd. 12 %
Cayzer Ltd. 10½%
Cedar Holdings 10½%
■ Charterhouse Japhet ... 10½%
Choulartons 10½%
Citibank Savings ...... ¶11 %
Clydesdale Bank 10½%
C. E. Coates 11½%
Comm. Bk of N. East 10½%
Consolidated Credits... 10½%
Co-operative Bank *10½%
Corinthian Secs. 10½%
The Cyprus Popular Bk 10½%
Duncan Lawrie 10½%
E.T. Trust 10½%
Exeter Trust Ltd. 11½%
First Nat. Fin. Corp.... 13½%
First Nat. Secs. Ltd. ... 13 %
Robert Fraser 11½%
Grindlays Bank ......‡10½%
■ *Guinness Mahon* *10½%*
■ Hambros Bank 10½%
Hargrave Secs. Ltd. ...a10½%
Heritable & Gen. Trust 10½%
■ Hill Samuel ......§10½%
C. Hoare & Co. ......†10½%
Hongkong & Shanghai 10½%
Kingsnorth Trust Ltd. 12 %
Knowsley & Co. Ltd. ... *11 %*
Lloyds Bank 10½%
Mallinhall Limited ... 10½%
Edward Manson & Co. 12 %
Midland Bank 10½%
■ Samuel Montagu 10½%
■ Morgan Grenfell a10½%
National Westminster 10½%
Norwich General Trust 10½%
P. S. Refson & Co. ... 10½%
Roxburghe Guarantee 11 %
Slavenburg's Bank ... 10½%
Standard Chartered ...‖10½%
Trade Dev. Bank 10½%
Trustee Savings Bank a10½%
TCB 10½%
United Bank of Kuwait 10½%
Whiteaway Laidlaw ... 11 %
Williams & Glyn's ... 10½%
Wintrust Secs. Ltd. ... 11 %
Yorkshire Bank 10½%

■ Members of the Accepting Houses Committee.
* 7-day deposits 7.25%, 1 month 7.60%. Short-term £8,000/12-months 9.5%.
† 7-day deposits on sums of: under £10,000 7¼%, £10,000 up to £50,000 8%, £50,000 and over 8½%.
‡ Call deposits £1,000 and over 7¼%.
‖ 21-day deposits over £1,000 8¾%.
§ Demand deposits 7¼%.
¶ Mortgage base rate.
a Effective from close of business 31 August 1982.

APPOINTMENTS

Chairman for Boston Trust & Savings, UK

Mr Gunther Fritze has been appointed chairman of BOSTON TRUST AND SAVINGS, UK consumer finance subsidiary of the First National Bank of Boston. He is a first vice-president and general manager of the First National Bank of Boston in the UK.

★

BOWATER HILLS has formed a new board with the appointment of Mr Michael Beal, finance director, and Mr Brian Donner, sales and marketing director.

★

Mr E. R. Jeynes, formerly senior partner of Price Waterhouse in Birmingham and the West Midlands, has been appointed a non-executive director of JOSEPH WEBB.

★

Mr George Howard, chairman of the BBC, Mr Aubrey Singer, managing director BBC television, and Lord Thomson of Monifieth, chairman of the IBA, have become vice-presidents of the ROYAL TELEVISION SOCIETY. These appointments follow the retirement of Lord Thorneycroft, Sir Ian Trethowan, *Lord Windlesham* and Sir Brian Young at the end of their term of office.

★

MARTIN-BLACK has appointed Mr Alexander R. Macmillan as a non-executive director from October 1. When he recently *retired he was the chief general* manager of the Clydesdale Bank.

★

Mr David Carruthers, previously a Turner and Newall corporate general manager, has been appointed a director of TURNER AND NEWALL from *October 1.*

★

Mr Matthew Harding has joined the boards of BENFIELD, LOVICK AND REES (HOLDINGS) and BENFIELD, LOVICK AND REES AND CO. Mr David Stratton has joined the board of Benfield, Lovick and Rees and Co.

★

Two new chief assistants have been appointed to the television division at the INDEPENDENT BROADCASTING AUTHORITY, *in view of increased work with* the arrival of Channel 4 and Breakfast-time Television and with future cable and satellite developments—and following the retirement of the present chief assistant, Mr Penry Jones, at the end of this month. They are Miss Clare Mulholland, at present the authority's regional officer for the Midlands, and Mr Stephen Murphy, who is already working on television policy at the IBA's headquarters. Miss Mulholland's main area of activity will be the *supervision of the output of* drama and acquired fiction. Mr Murphy will be mainly responsible for supervision the output also be involved in liaison with other organisations, including *the Broadcasting Complaints* Commission.

★

Miss Elizabeth Llewellyn-Smith has been appointed deputy director general of FAIR TRADING. The joins the Office of Fair Trading from the Department of Trade where for the past four years she was in charge of the companies division. A number of her previous Civil Service posts have involved work on policies to promote competition and protect consumers. In particular, she was in charge of the preparation of the Fair Trading Act under which the Office of Fair Trading was set up in 1973. She succeeds Mr E. J. D. Warne, who becomes secretary of the Institute of Chartered Accountants in England and Wales at the end of the year. Miss Llewellyn-Smith takes up her new duties on October 4.

★

Senor Miguel Jal Duaso of Catalonia has been elected president of CIFCA, the international confederation of refrigeration and air conditioning contractors.

★

Mr P. H. Blackburn and Mr R. A. Kaner have been appointed directors of ROWNTREE MACKINTOSH.

★

Mr Peter A. Coles has joined *the board of MYSON GROUP as* a non-executive director. He recently retired as the director of Building Services Research and Information Association.

★

Mr R. F. Colegate has been appointed an executive director *of WILLIS FABER AND DUMAS.*

★

Mrs Hilary Langley is to become the next secretary to the OCCUPATIONAL PENSIONS BOARD and controller of the board's executive office. She succeeds Miss Margaret Grainger who retires from the civil service at the end of October.

★

Mr Nicholas Wheeler has been appointed European finance ATLANTA, Slough. He was director of SCIENTIFIC-formerly group finance director of Simon-TR Holdings.

★

Mr Robin Spiro has resigned as a director and non-executive chairman of GREENGARDEN INVESTMENTS and all Group and associated companies to devote full time to his family business.

★

Mr Michael Welsh, member of the European Parliament for Lancashire Central, and Mr Donald Pearse, for many years a partner and now a consultant with stockbrokers Fielding-Newson Smith and Co., have been appointed non-executive directors

Stock Exchange dealings

Details of business done shown below have been taken with consent from last Thursday's Stock Exchange Official List and should not be reproduced without permission.

Details relate to those securities not included in the FT Share Information Service.

Unless otherwise indicated, denominations are 25p and prices are in pence. The prices are those at which business was done in the 24 hours up to 3.30 pm on Thursday and settled through the Stock Exchange Talisman system; they are not in order of execution, but in ascending order which denotes the day's highest and lowest dealing prices.

For those securities in which no business was recorded in Thursday's Official List the latest recorded business in the four previous days is given with the relevant date.

‡ Bargains at special prices. ♦ Bargains done the previous day. Δ Bargains done with non-member or executed in overseas markets.

CORPORATION & COUNTY

BREWERIES

UK PUBLIC BOARDS

COMMONWEALTH GOVT.

FOREIGN STOCKS (coupons payable London)

FOREIGN STOCKS (coupons payable abroad)

BANKS, DISCOUNT

COMMERCIAL INDUSTRIAL

A—B

C—D

E—F

G—H

I—J—K

L—M

N—O—P

Q—R—S

T—U—V

W—Y—Z

FINANCIAL TRUSTS

INSURANCE

INVESTMENT TRUSTS

MINES—MISCELLANEOUS

MINES—SOUTH AFRICAN

OIL

PROPERTY

PLANTATIONS

RAILWAYS

SHIPPING

UTILITIES

WATER WORKS

UNLISTED SECURITIES MARKET

RULE 163 (4) (a)

Bargains marked in securities which are quoted or listed on an Overseas Stock Exchange

Agnico Eagle Class 560⊕ 60
Alliance Oil Devpt Australia 78⊕ 8
Allstate Expl 34
American Cyanamid US$31⅝ ⅛ (17/9)
American Home Products £25¼
American Standard £13¼ (22/9)
Ampol Expl 121 (17/9)
Ampol Petroleum 76⊕ 1
Amsterdam Rotterdam Bank 770 (20/9)
Anglo Utd Devpt 28
Ashton Mining 57½ 60 1
Atlantic Richfield £26
Australian Cons Mins 14 15½
Australian Devpt 20 (17/9)
Australian Nat Inds 122 (22/9)
Australian Oil and Gas 82 (21/9)
Avnet £26½ (22/9)

Hospital Co of America £25¼⊕ ½ US$43¼
Int Communications Tech Hldgs £17 ¼ ⅛ 18 ⅛
Jardine Matheson Finance 9½pcLn 1984-1995 £7
Johnson and Johnson US$47 (22/9)
Justen Res 20⊕ (21/9)
Kia-Ora Gold 8
Kulim (Malaysia) 39½⊕ ½ (21/9)
Leighton Hldgs 85 (21/9)
Leonard Oil 4
Levi Strauss £19 (22/9)
Macbe Res 17 (17/9)
McCarthy Group 87
Madison Fund £10½ (21/9)
Magnet Metals 3

Target Pets (A$1.5 pd) 15⊕ 14 ⅛ ¼ 15
Tasimex 18 (21/9)
Teck Corp B 400
Texas Oil and Gas £16¼ (22/9)
Timor Oil 3½⊕
Tooth Co 158⊕
Tri-Continental £11
Unilever NV (Fl 20) £34.40 (17/9)
Union Oil of California US$30 (22/9)
Union Pacific Corp US$42
Vallant Consd 6
Vamgas 485⊕ 90⊕ 80
Vernitron 825 (17/9)
Village Main Reef Gold Mng 40 50 (22/9)
Walker (Hiram) Res 915 (17/9)
Wang Labs £21¼⊕ (20/9)

RULE 163 (3)

Dealings for approved companies engaged solely in mineral exploration.

(Nil)

RULE 163 (2) (a)

Applications granted for specific bargains in securities not listed on any Stock Exchange.

Mid Southern Wtr 6pcDb £34 6 (21/9)
NMW Computers 120 1 (20/9)
Oldham Ests 128 30 (21/9)
Panther Secs 8pcPfShs £1 18 9 20 (22/9)
PMPA Insce 38 (22/9)
Pentlon 103 5 (21/9)
Severn Valley Railway 70 (17/9)
Shepherd Neame 706 10 (22/9)
Sinclair (Wm) 45 (21/9)
Southern Newspapers 160 3 (17/9)
Star Offshore Services 53 4 (17/9)
Trident TV 60 1 (17/9)
Wadworth 490 500 (21/9)
Welsh Inds Inv Tst 35 40 (29/9)

(By permission of the Stock Exchange Council)

MONEY MARKETS

UK clearing bank base lending rate 10½ per cent (since August 30 and 31)

Interest rates were a little easier in London yesterday. The market was encouraged by a slight fall in the rates at which the Bank of England arranged repurchase agreements. This was taken generally as a small step in the right direction and strengthened market conviction that clearing bank base rates were destined for a fall in the *next month*. The fall in rates coupled with the Bank of England's generous assistance saw interbank base rates ease a little. Weekend money opened at 10¾-11 per cent and eased to 10½ per cent after the Bank's assistance before rising briefly to 12½ per cent. Closing balances were taken nearer 7 per cent however.

The Bank forecast a shortage of £550m with factors affecting the market including bills maturing in official hands and a net take up of Treasury bills −278m and a rise in the note circulation of £220m. This was partly offset by Exchequer transactions of +£30m. The Bank gave assistance in the morning of £621m, having revised the forecast to a shortage of £600m. The help comprised purchases of £1m of Treasury bills and £46m of eligible bank bills in band 1 (up to 14 days) at 10⅜ per cent and in band 2 (15-33 days) £1m of Treasury bills and £113m of eligible bank bills at 10¼ per cent. In band 3 (34-63 days) it bought £1m of Treasury bills and £18m of eligible bank bills at 10⅛ per cent and in band 4 £15m of eligible bank bills at 10¼ per cent. *Repurchase agreements* were arranged on £426m of bills at 10$\frac{7}{16}$-10½ per cent unwinding on October 29. There was no further assistance in the afternoon.

The average rate of discount at the weekly Treasury bill tender fell to 9.9670 per cent from 10.0701 per cent with the £100m of bills on offer attracting bids of £394.72m compared with £366.02m the previous week. The minimum accepted bid was £97.505 for 91 day bills, £97.48 for 92-day bills and £97.455 for 93-day bills. The tender was split in such a way because of maturing *dates straddling the Christmas break*.

CURRENCIES

The dollar was quite firm in currency markets yesterday. News that a Japanese bank had sustained foreign exchange losses tended to boost the dollar in thin trading ahead of the weekend while softer West German rates were also a contributory factor. The dollar closed at a five-year high against the yen at Y266.35 up from Y264.80 and DM 2.5145 from DM 2.5100. It was also at a one-year high against the Swiss franc at SwFr 2.1645 from SwFr 2,1500. On Bank of England figures, the dollar's index rose to 123.1

The pound was unchanged on the day. Its trade weighted index finished the same as Thursday's close at 91.8, having stood at 91.9 at noon and 91.8 in the morning. Against the dollar it traded between $1.7035 and $1.7105 before finishing at $1.7075-1.7085, a fall of 30 points. Against the D-mark it finished unchanged at DM 4.2950 and SwFr 3.6950 compared with SwFr 3.68.

THE POUND SPOT AND FORWARD

Sept 24	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	1.7035-1.7105	1.7075-1.7085	0.05-0.10c dis	−0.53	0.42-0.52dis	−1.10
Canada	2.1000-2.1075	2.1040-2.1060	0.40-0.50c dis	−2.56	1.33-1.43dis	−2.62
Nethlnd.	4.69½-4.72½	4.69¾-4.70¾	1½-1c pm	3.19	3¾-3¼ pm	2.88
Belgium	83.00-83.40	83.00-83.10	7-17c dis	−1.73	45-55 dis	−2.41
Denmark	15.01-15.06	15.02-15.03	11⅞-13⅞ore dis	−10.03	25½-26⅞ dis	−6.97
Ireland	1.2540-1.2580	1.2565-1.2575	0.42-0.51p dis	−4.44	1.29-1.47dis	−4.39
W Ger.	4.28-4.31	4.29-4.30	1⅝-⅞pf pm	3.14	3½-3 pm	3.03
Portugal	148.75-150.70	150.20-150.70	140-350c dis	−19.54	375-1050dis	−18.94
Spain	193.30-194.30	194.00-194.20	140-175c dis	−9.74	575-675dis	−12.88
Italy	2,415-2,423	2,417-2,419	14-17 lire dis	−7.69	54-58 dis	−9.26
Norway	11.84-11.88	11.86-11.87	2½-3⅝ore dis	−3.10	11½-12⅝ dis	−4.07
France	12.09-12.16	12.10½-12.13	6¾-8¾c dis	−7.67	26½-30½ dis	−9.41
Sweden	10.67-10.71	10.70-10.71	3⅛-4⅛ore dis	−4.20	12-12¾ dis	−4.62
Japan	452-457	454½-455½	1.50-1.30y pm	3.69	4.00-3.80 pm	3.43
Austria	30.10-30.30	30.18-30.23	7¼-4¾gro pm	2.38	19¾-14½ pm	2.27
Switz.	3.67½-3.70½	3.69-3.70	2⅜-1⅞c pm	6.90	6¼-5¾ pm	6.36

Belgian rate is for convertible francs. *Financial franc* 86.45-86.55. Six-month forward dollar 1.34-1.39c dis, 12-month 3.10-3.25c dis.

EXCHANGE CROSS RATES

Sept. 24	Pound St'rling	U.S. Dollar	Deutschem'k	Japanese Yen	French Franc	Swiss Franc	Dutch Guild'	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1	1.708	4.295	455.0	12,111	3.695	4.703	2418.	2.105	83.95
U.S. Dollar	0.585	1.	2.515	266.4	7.095	2.163	2.753	1416.	1.232	48.62
Deutschemark	0.233	0.398	1.	105.9	2.821	0.860	1.095	563.0	0.490	19.34
Japanese Yen 1,000	2.198	3.754	9.440	1000.	26.63	8.121	10.34	5314.	4.626	182.5
French Franc 10	0.825	1.410	3.544	375.5	10.	3.049	3.881	1995.	1.737	68.54
Swiss Franc	0.271	0.462	1.162	123.1	3.279	1.	1.273	654.4	0.570	22.46
Dutch Guilder	0.213	0.363	0.913	96.76	2.577	0.786	1.	514.2	0.448	17.66
Italian Lira 1,000	0.414	0.706	1.776	188.2	5.011	1.528	1.945	1000.	0.871	34.35
Canadian Dollar	0.475	0.811	2.040	216.2	5.757	1.755	2.234	1149.	1.	39.45
Belgian Franc 100	1.204	2.057	5.172	547.9	14.59	4.449	5.662	2911.	2.535	100.

EURO-CURRENCY INTEREST RATES (Market closing rates)

Sept. 24	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	D-mark	French Franc	Italian Lira	Belgian Franc Conv.	Belgian Franc Fin.	Yen	Danish Krone
Short term	10⅝-11	10⅝-10⅞	12¼-13¼	7⅛-7¼	1¾-2¼	7-7⅛	14-14½	16½-18	11-12	11¼-11¾	6¼-6½	22½-24
7 day's notice	10⅞-11	10⅞-11⅛	12¼-13¼	7⅛-7¼	6½-7¼	7⅛-7¼	15-16	16½-18	11½-12½	12-12¼	6¾-6⅞	21½-23½
Month	10½-11⅛	11⅛-11⅜	13¼-13½	7⅛-7¼	4-4⅛	7⅝-7¾	17⅛-18⅜	18-19	12½-15½	12⅜-12⅝	7-7⅛	24½-26½
Three months	10⅜-10⅝	11⅜-11⅝	13⅛-13⅜	7⅝-7¾	4⅛-4⅜	7⅝-7¾	19¼-19¾	19⅞-20⅜	13-14	12⅝-12⅞	7¼-7⅜	21⅛-23⅝
Six months	10⅝-11⅛	12¼-12½	13⅝-13⅞	8⅛-8¼	5-5⅛	8-8⅛	19¾-20¼	21⅛-21⅝	13½-14½	13⅛-13⅜	7⅛-7¼	20¼-21¼
One Year	10⅞-11	12⅛-12½	14-14¼	8⅛-8⅜	4⅞-5⅛	8-8⅛	20-20½	21½-22	13½-14¼	13⅜-13⅝	7½-7⅝	18½-20

SDR linked deposits: one-month 10⅝-10⅞ per cent; three months 10¾-11⅛ per cent; six months 11⅛-11½ per cent; one year 11½-12 per cent. ECU linked deposits: one-month 11¾-11⅞ per cent; three months 11⅞-12⅛ per cent; six months 12¼-12⅜ per cent; one-year 12¼-12⅜ per cent. Asian $ (closing rates in Singapore): one-month 11¼-11⅜ per cent; three months 11⅝-11¾ per cent; six months 12⅛-12¼ per cent; one year 12¼-12⅜ per cent. Long-term Eurodollar: two years 13¾-13⅞ per cent; three years 14-14¼ per cent; four years 14¼-14½ per cent; five years 14½-14¾ per cent; nominal closing rates. Short-term rates are call for U.S. dollars, Canadian dollars and Japanese yen; others two days' notice. The following rates were quoted for London dollar certificates of deposit: one-month 10.60-10.70 per cent; three months 10.95-11.05 per cent; six months 11.45-11.55 per cent; one year 12.20-12.40.

FT LONDON INTERBANK FIXING (11.00 a.m. SEPTEMBER 24)

3 month U.S. dollars		6 month U.S. dollars	
bid 11¼	offer 11⅞	bid 12⅛	offer 12½

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

LONDON MONEY RATES

Sept. 24 1982	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount Market Deposits	Treasury Bills ♦	Eligible Bank Bills ♦	Fine Trade Bills ♦
Overnight	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
2 days notice	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
7 days or	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
7 days notice	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
One month	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Two months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Three months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Six months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Nine months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
One year	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Two years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

ECGD Fixed Rate Sterling Export Finance. Scheme IV Average Rate for interest period 4 August to 7 September 1982 (inclusive): 11.097 per cent. [illegible]

Finance Houses Base Rates (published by the Finance Houses Association) 12 per cent from September 1 1982. London and Scottish Clearing Bank Rates for lending 10½ per cent. London Clearing Deposit Rates for sums at seven days' notice 7½-7¾ per cent. Treasury Bills: Average tender rates of discount 9.9670 per cent. Certificate of Tax Deposit (Series 5) 11 per cent from August 18. Deposits withdrawn for cash 9 per cent.

CURRENCY MOVEMENTS

Sept. 24	Bank of England Index	Morgan Guaranty Changes%
Sterling	91.8	−31.7
U.S. dollar	123.1	+12.0
Canadian dollar	90.5	−17.5
Austrian schilling	115.3	+35.3
Belgian franc	92.8	−3.0
Danish kroner	81.4	−16.0
Deutsche mark	123.3	+50.1
Swiss franc	144.2	+99.5
Guilder	117.1	+24.9
French franc	72.6	−21.0
Lira	56.5	−58.0
Yen	128.0	+22.7

Based on trade weighted changes from Washington agreement December 1971. Bank of England index (base average 1975=100).

OTHER CURRENCIES

Sept. 24	£	$		£ Note Rates
Argentina Peso	47,750†	27,990†	Austria	30.05-30.35
Australia Dollar	1.7880-1.7900	1.0475-1.0490	Belgium	86¼-87¼
Brazil Cruzeiro	352.15-353.15	206.80-207.25	Denmark	14.99-15.13
Finland Markka	8.2570-8.2560	4.8355-4.8385	France	12.05-12.19
Greek Drachma	115.157-122.816	71.00-71.50	Germany	4.27¼-4.31¼
Hong Kong Dollar	10.40-10.45	6.1040-6.1060	Italy	2380-2435
Iran Rial	148.00*	85.10*	Japan	450-460
KuwaitDinar(KD)	0.49560-0.49650	0.29075-0.29095	Netherlands	4.68¼-4.72¼
Luxembourg Frc.	83.00-83.10	48.615-48.635	Norway	11.81-11.91
Malaysia Dollar	4.0285-4.0485	2.3655-2.3685	Portugal	146-156
New Zealand Dlr.	2.3515-2.3555	1.3880-1.3870	Spain	190-200
Saudi Arab. Riyal	5.8550-5.8700	3.4390-3.4400	Sweden	10.65-10.75
Singapore Dollar	3.7705-3.7775	2.1750-2.1780	Switzerland	3.67-3.71
Sth.African Rand	1.9650-1.9675	1.1506-1.1590	United States	1.69¾-1.71¾
U.A.E. Dirham	6.2605-6.2700	3.6710-3.6740	Yugoslavia	117-130

† Rate shown for Argentina is commercial. Financial rate 66,428-66,488 against sterling. 38,950-39,000 against dollar. * Selling rate.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU September 24	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	44.9704	45.5545	+1.37	+1.09	±1.5501
Danish Krone	8.23400	8.22000	−0.20	−0.31	±1.6430
German D-Mark	2.33379	2.35262	+0.83	+0.55	±1.0888
French Franc	6.61387	6.66144	+0.72	+0.46	±1.3940
Dutch Guilder	2.57971	2.58600	−0.08	−0.34	±1.5004
Irish Punt	0.691011	0.68836	−0.38	−0.64	±1.6691
Italian Lira	1350.27	1328.37	−1.84	−1.84	±4.1369

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

U.K. CONVERTIBLE STOCK 25/9/82

Statistics provided by *DATASTREAM International*

Name and description	Size (£m)	Current price	Terms*	Conversion dates‡	Flat yield	Red yield	Premium† Current	Premium† Range‡	Income Equ§	Income Conv¶	Income Div♡	Cheap(+) Dear(−)◇ Current
British Land 12pc Cv. 2002	9.60	278.50	333.3	80-97	4.4	1.8	1.2	− 4 to 8	30.9	88.0	20.9	+19.7
Hanson Trust 9½pc Cv. 01-06	31.54	128.75	71.4	85-01	7.6	7.0	0.7	0 to 8	85.3	72.7	−9.8	−10.5
Slough Estates 10pc Cv. 87-90	5.03	221.50	234.4	78-83	4.6		− 4.5	− 8 to 0	6.5	4.9	−0.7	+ 3.8
Slough Estates 8pc Cv. 91-94	24.88	106.00	97.5	80-88	7.8	7.5	8.8	3 to 14	23.7	32.7	9.3	+ 0.5

* Number of ordinary shares into which £100 nominal of convertible stock is convertible. † The extra cost of investment in convertible expressed as per cent of the cost of the equity in the convertible stock. ‡ Three-month range. § Income on number of ordinary shares into which £100 nominal of convertible stock is convertible. This income, expressed in pence, is summed from present time until income on ordinary shares is greater than income on £100 nominal of convertible or the final conversion date whichever is earlier. Income is assumed to grow at 10 per cent per annum and is present valued at 12 per cent per annum. ¶ Income on £100 of convertible. Income is summed until conversion and present valued at 12 per cent per annum. ♡ This is income of the convertible less income of the underlying equity expressed as per cent of the value of the underlying equity. ◇ The difference between the premium and income difference expressed as per cent of the value of underlying equity. + is an indication of relative cheapness. − is an indication of relative dearness. ⊕ Second date is assumed date of conversion. This is not necessarily the last date of conversion.

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED TRUSTS

[illegible]

NOTES

[illegible]

LONDON STOCK EXCHANGE

Consumer shares in demand and lead equities higher
Gilts turn hesitant but end close to five-year peaks

Account Dealing Dates

Option

*First Dealings	Declarations	Last Dealings	Account Day
Sept 6	Sept 16	Sept 17	Sept 27
Sept 20	Sept 30	Oct 1	Oct 11
Oct 4	Oct 14	Oct 15	Oct 25

* "New-time" dealings may take place from 9.30 am two business days earlier.

A useful revival in the equity sectors brought the first leg of the current two-week trading Account to a firm conclusion yesterday. Demand triggered off by a Press suggestion that the continuing fall in the rate of inflation may enable the Government to make big tax cuts in the spring led to demand for consumer shares and gave an all-round boost to sentiment which had shown signs of flagging on Thursday.

Yesterday's advance was led by Stores; the sector recorded widespread and sometimes substantial gains, accentuated in many cases by stock shortage. Rises in consumer shares were widespread and helped to take the FT-Actuaries Industrial and 500 Group indices to record highs.

Measuring the improvement in the leaders, the FT 30-share index, which had, at 3.00 pm, almost recovered the previous day's loss of 5.4, closed with a rise of 4.4 on the day at 581.6 for a gain of 17.9 on the week.

Among the sectors, Supermarket shares provided a complete contrast with quotations wilting on a revival of fears of another price-cutting war.

Government stocks ended the week on a quietly dull note, with quotations drifting lower in the absence of fresh support. Interest in the late dealings, however, was enlivened by the announcement of the issue of £1bn of a new short-medium tap stock, Exchequer 10½ per cent 1988, by way of tender at a minimum price of £96 per cent; the amount is payable £20 on tender with the rest due over the next couple of months. News of the issue had little impact, although quotations within the vicinity of the new tap tended to ease a shade before reverting to 3.30 pm levels which showed losses of around ⅛. Falls in the longs were usually limited to ¼. The Government Securities index gave up 0.25 to 78.80, but still recorded a rise of 1.27, or more than 1½ per cent, on the week.

Equity and Law firm

Life issues returned to prominence in Insurances after Thursday's bout of profit-taking. Renewed support on consideration of their heavy gilt portfolios and the satisfactory, 20 per cent increase in UK premium figures for 1981 prompted fresh gains ranging to 10. Equity and Law, at 528p, closed that much higher for a rise on the week of 42. Legal and General rebounded 7 to 300p and Britannic, 294p, and Sun Life, 414p, put on 6 apiece.

Little of interest occurred in the banking sector. Manson Finance eased 3 to 37p on the disappointing results, while Guinness Peat relinquished the same amount to 50p. Dealings started in the Standard Chartered Loan stock 2002-07; the £25 paid stock opened and closed at ¼ premium.

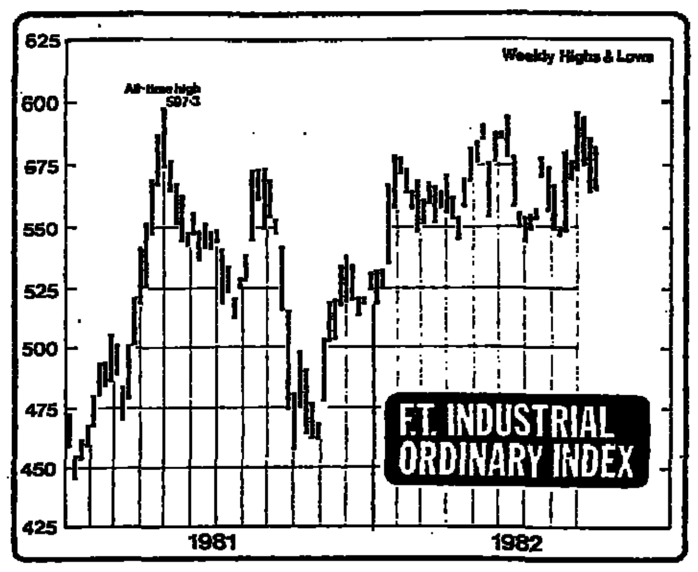
Breweries finished on a firm note although the best gains were reserved for regionals where Vaux closed 4 to the good at 193p, as did Matthew Brown, at 210p. Bass added the turn to 258p amid rumours that the company is preparing a major takeover. Ladbroke, 157p, and *Arthur Bell*, 222p, both tipped as likely candidates, firmed 3 and 4 respectively with the latter's 9½ per cent Convertible closing 4 points better at £175. Elsewhere in Wines and Spirits, Matthew Clark continued to respond to quality support and rose 10 to 176p, while *Macallan-Glenlivet* rose 15 to 480p following the increased first-half profits.

The undertone in Buildings remained distinctly firm, with quotations still underpinned by cheaper money considerations. Barratt Developments, a strong market earlier in the week on the excellent preliminary results, put on 8 for a gain on the week of 42 to 352p, while Newarthill, a thin market, advanced 38 for a two-day jump of 45 to 570p in response to the increased half-year profits. Moving against the trend, George Wimpey shed 5 to 108p on nervous selling ahead of next Thursday's interim results. Elsewhere, Blue Circle and BPB firmed 4 apiece to the common price of 444p, while Tarmac edged up 2 more to 382p. W. and J. Glossop, half-year results due on Monday, rose 3 to 70p, while recently-dull Ibstock Johnsen improved a like amount to 54p. Tilbury Group put on 4 to 84p on revived speculative interest and R. M. Douglas also gained 4, to 72p, the latter in a restricted market. Burnett and Hallamshire rose 5 for a gain on the week of 80 to 880p; the company announced yesterday that it has substantial lignite deposits in Northern Ireland.

After opening a shade firmer, ICI fluctuated narrowly before closing 4 dearer on balance at 298p. Further demand in a thin market lifted Allied Colloids 11 to 312p, while Laporte firmed 3 to a 1982 peak of 178p on consideration of the interim results.

Stores below best

Having already made sizeable gains throughout the week, major retailers showed renewed strength with sentiment buoyed by the prospect of tax cuts in the next Budget; dealers reported actual trade as slow, however, and although most displayed



useful gains, often exacerbated by stock shortage, a slightly easier tone was evident after the official close. British Home, interim results scheduled for next month, rose 4 for a gain on the week of 22 at 194p. Gussies "A" closed 15 up at 608p, after 610p, while Marks and Spencer hardened 5 more to 205p. Debenhams rose 4 to 92p, after 94p, while F. W. Woolworth touched 74p before settling a couple of pence lower on balance at 71p awaiting further developments in the confused takeover imbroglio.

Recently buoyant newsagents and d-i-y issues made fresh advances. Among the former, W. H. Smith stood out with a gain of 8 at 255p, NSS improved 4 to 140p, and Martin improved 8 to 224p. Harris Queensway, which announced a trading link-up with House of Fraser on Thursday, jumped 8 to 256p; Frasers firmed 2 to 162p. Home Charm, 258p, and MFI, 114p, rose 4 and 8 respectively. Demand was again forthcoming for Mr Asil Nadir's Polly Peck which advanced 45 for a jump on the week of 111 to 530p. Wearwell rose 6 to 51p in sympathy. Electrical retailers were firm under the lead of Dixons Photographic, 15 up at 197p. Currys rose 6 to 224p, and Comet 8 to 155p.

Electricals were featured by Oceonics, which made a spectacular return to the Unlisted Securities market from suspension following the completion of negotiations to acquire Geomex, a Hong Kong-based concern engaged in similar activities to Oceonics; suspended in June at 255p, almost twice the placing price of 130p, the shares yesterday resumed trading at 385p and rose steadily in a good business to close at an all-time peak of 510p. ORE advanced 10 in sympathy to 235p, after 240p.

Lee Refrigeration gained 20 to 250p following renewed support in a thin market and AB Electronic put on 5 to 257p, the latter after comment ahead of the results scheduled for next Wednesday. Investment buying lifted Cable and Wireless 10 to 328p, after 330p, while United Scientific, at 323p, rallied 6 after recent weakness caused by worries about a U.S. tank deal. The leaders improved with the general trend. GEC attained a new 1982 peak of £12½, up ¼, while Plessey gained 5 to 577p. Dragged lower of late by the chairman's profits warning, Thorn EMI rallied to 392p before finishing only a couple of pence better on balance at 387p.

A re-appraisal of the interim figures and forecast of lower profits for the full year left Vickers friendless but only a penny easier at 125p. Hawker cheapened 2 to 358p while GKN, a dull market of late on the second-half profits warning, rallied a few pence to 118p. Secondary Engineerings were featured by a rise of 4 to 12p in Aurora following the strong profits recovery. An investment recommendation lifted Greenbank 3 to 44p, while the satisfactory preliminary figures left Adwest a penny harder at 176p. Spear and Jackson gained 5 to 68p on recovery hopes, while Chemring revived with a rise of 10 at 470p.

Good at first in line with the general trend, Food Retailers reacted sharply on rumours that Associated Dairies was about to launch a price-cutting operation. Closing levels were a shade above the worst, Associated Dairies settling a net 8 down at 148p, after 144p. Kwik Save ended 12 lower on balance at 280p, after 278p, and J. Sainsbury 5 cheaper at 385p, after 380p. Tesco reacted to 89p before rallying to close unchanged on balance at 93p and Linfood dipped 6 to 222p before closing just 2 off at 228p. William Morrison lost 6 to 150p and Hillards 4 to 170p.

Other Food issues failed to maintain early upward momentum. Northern touched 176p before closing 4 dearer on balance at 172p, while Rowntree Mackintosh, a couple of pence firmer early on, ended that much cheaper on balance at 210p. Cadbury Schweppes lost 2 to 115p and recently firm Avana 5 to 370p.

Following the death of the company's chairman, Sir Maxwell Joseph, Norfolk Capital attracted speculative buying on takeover hopes and put on 3 to 28p. Grand Metropolitan met revived investment demand and rose 6 to 279p.

Braby Leslie jump

Braby Leslie became a late firm feature among secondary miscellaneous industrials, jumping 12 to 69p in response to the £2.6m takeover bid terms from Anglo-Nordic, 2 better at 42p. Dry-cleaning shares continued to attract support; Sketchley were prominent with an advance of 18 for a rise of 35 on the week at 322p. Initial rose 5 to 266p and Sunlight Services 6 to 124p, while Hanover Investments also firmed 6, to 51p.

Reflecting a broker's bullish circular and revived takeover hopes, Fobel International put on 5 to 53p, while Nu-Swift improved 2½ to 40½p on news of a possible higher offer. Gomme rose 3 to 29p, while E. Fogarty revived with a gain of 12 to 62p. Against the trend, Dinkie Heel lost 2 to 5½p on the disappointing annual results.

Reports of substantial tax cuts planned for next year's spring Budget stimulated buying interest in the leaders. Glaxo closed 11 higher at 809p and Beecham put on 8, to 342p, as did BTR, to 354p. Unilever appreciated 15 to 680p.

Among travel concerns, Horizon hardened a couple of pence to 187p and Saga Holidays 5 to 145p; the latter's preliminary results are due soon. Press comment stimulated occasional interest in Leisuretime, which gained a penny to 72p, but Nimslo International shed 5 to 140p following the interim report.

An uncertain Press reaction to the interim statement clipped a couple of pence from Dunlop, 55p. Elsewhere in Motor sectors, British Car Auction attracted useful support and rose 5 to 120p, while Lex Service closed 3 to the good at 149p.

Among the occasional movements in Properties, Hammerson A edged up 5 to 600p and Slough Estates a couple of pence to 101p. Churchbury Estates rose 10 to 515p, while London Shop Property, preliminary results due next Thursday, added 2 to 122p. Rosehaugh, the subject of considerable speculative activity on Thursday on a report that the company was involved in the consortium interested in acquiring F. W. Woolworth, put on 3 for a two-day gain of 13 to 213p despite the Rosehaugh chairman's denial of the report.

Oils quiet

Interest in Oils was at a low ebb and, apart from Ultramar which firmed 7 to 450p aided by a broker's bullish circular, leading quotations held close to overnight levels. Elsewhere, occasional selling clipped a couple of pence from Carless Capel, 158p, and 3 from KCA International, 72p.

Proceedings in Financials were featured by Aitken Hume, which jumped to 208p before settling for a net gain of 20 at 195p following the announcement that members and associates of the Saudi Royal Family are to inject £1.6m of new capital into the company which is expected to result in a substantial increase in Middle-East business. Recently firm money brokers paused for breath and Exco eased 4 to 241p, while Mercantile House gave up 10 at 420p.

Golds up again

South African Golds made further good progress during the day owing to continued Johannesburg support, but came under light profit-taking in the after-hours' trading as American selling followed the downturn in the bullion price.

Closing prices were below the day's best but the Gold Mines index retained a 3.4 rise at 370.5 —a week's gain of 7.5.

Bullion was finally $9.5 down at $428 an ounce, around $13.5 easier over the five-day period.

Yesterday's Johannesburg buying was again directed towards the top-quality and marginal issues.

In the latter, Marievale attracted heavy support and touched a year's high of 213p before closing a net 18 up at 202p. Durban Deep, recently the subject of good Johannesburg interest, added ½ more to a 1982 high of £16¼, while East Rand Proprietary rose 16 to a high of 349p and Loraine 9 to a high of 249p.

In the heavyweights, new highs for 1982 were registered by Randfontein, £42½, Buffels, £22½, Libanon, £13½ and Western Deep, £20¾, all of which improved by around ½.

South African Financials mirrored the performance of Golds. Anglo American Corporation jumped 20 to 715p, Johnnies 1½ to a 1982 high of £39 and UC Investments 10 to a year's high of 690p, all three companies benefiting from Johannesburg buying interest.

Lower precious and base-metal prices led to persistent small selling of London Financials despite the gains in UK equities. Gold Fields were particularly weak and dropped 8 to 430p, after 425p, while Charter dipped 3 to 192p. RTZ held around the 427p level, up 20 on the week.

In a mixed Australians sector, Gold Mines of Kalgoorlie retreated 10 to 405p and Poseidon 4 to 201p. Among the leading base-metal producers, Peko-Wallsend dipped a like amount to 292p and CRA and MIM Holdings 2 apiece to 214p and 188p respectively.

Tins showed little change. Dealings in Amalgamated Tin Mines of Nigeria were suspended at 144p pending reorganisation details.

Demand for Traded Options improved slightly and 1,441 contracts were done, comprising 1,169 calls and 272 puts. The week's daily average amounted to 1,651. Call activity was dominated by Imperial Group, with 381 contracts, and Marks and Spencer, with 256p.

FINANCIAL TIMES STOCK INDICES

10 am 578.6. 11 am 580.5. Noon 582.4. 1 pm 581.7. 2 pm 582.0. 3 pm 582.4.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Industrial 1/7/35. Gold Mines 12/9/55. SE Activity 1974.

HIGHS AND LOWS / S.E. ACTIVITY

LEADERS AND LAGGARDS

Percentage changes since December 31, 1981, based on Thursday, September 23, 1982.

Health and H'sehold Products	+89.57
Tobaccos	+60.22
Electricals	+44.29
Brewers and Distillers	+43.63
Stores	+43.26
Food Retailing	+36.10
Consumer Group	+33.59
Industrial Group	+25.53
Insurance Brokers	+23.52
Insurance (Life)	+21.79
Contracting, Construction	+21.31
500 Share Index	+20.05
Capital Goods	+19.85
Gold Mines Index	+19.41
Discount Houses	+17.20
Other Consumer	+15.79
Building Materials	+15.44
All-Share Index	+14.73

OPTIONS

First Dealings	Last Dealings	Last Declaration	For Settlement
Sept 27	Oct 8	Dec 23	Jan 10
Oct 11	Oct 22	Jan 13	Jan 24
Oct 25	Nov 5	Jan 27	Feb 7

For rate indications see end of Share Information Service

Call options were transacted in John Brown, TI, Beecham, Trident TV, Quest Automation, Norfolk Capital, London and Liverpool, Bats, F. W. Woolworth, Breville Europe, Leeds Pancontinental, First National Finance, Polly Peck and Steetley. Puts were done in Turner and Newall, Nimslo and Steetley, while a double was arranged in F. W. Woolworth.

RISES AND FALLS YESTERDAY

	Rises	Falls	Same	Rises (week)	Falls (week)	Same (week)
British Funds	2	73	19	176	96	198
Totals	586	370	1,474	2,895	1,407	6,8[illegible]

† Excluding Tuesday.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

NEW HIGHS AND LOWS FOR 1982

RECENT ISSUES

EQUITIES

FIXED INTEREST STOCKS

"RIGHTS" OFFERS

THURSDAY'S ACTIVE STOCKS

5-DAY ACTIVE STOCKS

ACTIVE STOCKS

INSURANCE & OVERSEAS MANAGED FUNDS

INSURANCES

Abbey Life Assurance Co. Ltd. (a)
1-3 St. Paul's Churchyard, EC4P 4DX. 01-248 9111

Property Fund	228.5	240.6	+0.1	—
Equity Fund	[illegible]	[illegible]		—
Property Acc.	267.7	281.8	+0.2	—
Equity Acc.	[illegible]	[illegible]		—
Selective Fund	150.3	[illegible]		—
Money Fund	170.8	179.8	+0.2	—
Convertible Fund	182.4	192.0	+0.2	—
Prop. Fd. Ser. 4	210.8	221.9	+0.1	—
Equity Ser. 4	[illegible]	[illegible]		—
Man. Ser. 4	214.9	226.3		—
Money Ser. 4	154.1	162.3	+0.2	—
Conv. Ser. 4	152.7	160.8	+0.2	—
Fixed Int. Fd. Ser. 4	134.6	141.7		—
American Ser. 4	128.8	135.6	+3.2	—
High Inc. Ser. 4	121.7	128.1		—
Indexed Inv. Series 4	99.3	104.6		—
Pensions Property	277.7	292.4	+0.3	—
Pensions Equity	320.0	336.9		—
Pensions Selective	160.5	169.0		—
Pensions Managed	291.5	306.9		—
Pensions American	96.7	101.8	+0.9	—
Pensions Security	206.2	217.1	+0.2	—
Pensions Fixed Int.	130.6	137.5		—
Pensions Indexed Inv.	99.7	105.0	-0.1	—

Albany Life Assurance Co. Ltd.
31, Old Burlington St., W.1. 01-437 5962

Equity Fd. Acc.	335.5	354.8	-0.1	—
Fixed Int. Acc.	218.4	229.9	+0.1	—
Gtd. Money Fd. Acc.	159.3	167.8	+0.1	—
Intl. Man. Fd. Acc.	150.8	158.7	+0.4	—
Intl. Fxd. Int. Fd.	117.5	123.8	+0.1	—
Prop. Fd. Acc.	164.5	173.2		—
M'ple Inv. Acc.	280.2	295.0		—
Equity Pen. Fd. Acc.	587.6	618.5	-1.1	—
Fixed I. Pen. Acc.	367.6	386.9	+0.2	—
G'td. Mon. Pen. Acc.	224.8	236.7	+0.2	—
Intl. Man. Pn. Fd. Acc.	175.8	185.0	+0.5	—
Prop. Pen. Acc.	212.8	224.0		—
M'ple Inv. Pen. Acc.	585.1	615.9	-0.1	—

AMEV Life Assurance Ltd.
2-6, Prince of Wales Rd., B'mouth. 0202 762122

Managed Fd.	206.9	218.0		—
Money Fd.	154.4	164.1		—
Equity Fd.	161.3	170.0		—
Fixed Int. Fd.	160.7	170.5		—
Property Fd.	155.5	164.0		—
Managed Pen. Fd.	190.2	200.0		—
Equity Pension Fd.	109.2	115.0		—
Fixed Int. Pens. Fd.	140.2	148.0		—
High Yield Pens. Fd.	140.0	147.5		—
Money Pension Fd.	115.9	122.0		—
Property Pension Fd.	134.2	138.3		—
AMEV/Framlington				
American & Gen. Fd.	157.7	166.2	+1.2	—
Income Fd.	141.8	149.6	+0.1	—
Intl. Growth Fd.	164.3	173.1	+0.4	—
Capital Fund	147.8	155.7	+0.4	—
Recovery Fund	99.7	105.1	-0.1	—

Barclays Life Assur. Co. Ltd.
252 Romford Rd., E7. 01-534 5544

Crown Life—Continued

St. George Mngd. Fd.	111.8	117.6		—
Lincs & Gen. Fd.	117.6	123.7		—
Sage Fd.	90.8	95.7		—
Heritage Fd.	106.3	111.8		—
DBS Managed	110.2	115.9		—
Crown Brit. Inv. A	227.90			—
Pens. Mngd. Fd.	156.3	164.8		—
Pens. Mngd. Acc.	118.5	124.7		—
Pens. Mngd. Init.	113.6	119.4		—
Pens. Equity Acc.	105.2	110.7		—
Pens. Equity Init.	100.5	105.7		—
Pens. Fxd. Int. Acc.	119.3	125.6		—
Pens. Fxd. Int. Init.	114.5	120.5		—
Pens. Money Acc.	112.1	117.9		—
Pens. Money Init.	107.0	112.6		—

Crusader Insurance PLC
Tower Hse., 39 Trinity Sq., EC3N 4DJ. 488 2929

Growth Prop. Sept. 7	109.6	115.2		—
Mngd. Pens. Sept. 7	124.08	130.61		—

Eagle Star Insur./Midland Assur.
1, Threadneedle St., EC2. 01-588 1212

Eagle/Mid. Units	89.4	92.7	+0.9	5.49

Equity & Law Life Ass. Soc. Ltd.
Amersham Road, High Wycombe. 0494 33377

UK Equities Fund	205.0	215.7	+1.0	—
Higher Inc. Fund	133.1	141.1	+0.7	—
Property Fund	194.5	204.7		—
Fixed Interest Fund	163.4	172.0	-0.5	—
Index Linked Secs Fund	95.5	100.5	-0.1	—
Gtd. Deposit Fund	137.8	145.0		—
Nth. America Fund	119.6	126.0	-0.2	—
Far East Fund	81.7	85.9	-0.7	—
International Fund	104.2	109.7	-0.4	—
Mixed Fund	193.4	203.0	+0.1	—

Equity & Law (Managed Funds) Ltd.
Amersham Road, High Wycombe. 0494 33377

Ind. Pen. Equity	206.8	217.4		—
Ind. Pen. Property	148.0	155.7		—
Ind. Pen. Fixed Int.	157.4	165.6		—
Ind. Pen. Indx. Lk. Sec.	105.1	110.6		—
Ind. Pen. Overseas	156.5	164.7		—
Ind. Pen. Cash	139.3	146.6		—
Ind. Pen. Balanced	167.5	176.4		—
Ind. Pen. Dep. Admin.	139.8	147.1		—

Prices at Sept. 9. Next settlement Oct. 14.
Group Pension Funds—Prices Available On Request.

Family Assurance Society
68, East Street, Horsham. 0403 50255

Family A. Managed	127.8	101.9		—
Family B. Managed	92.8	97.7		—
Family C. Brit.	76.1	77.7		—
Family D. Fixed Int.	122.3	124.8		—
Family Capital Mngd.	92.4	97.4		—
Family Brit.	57.7	60.9		—

G.T. Management Ltd.
16 Finsbury Circus, Lond. EC2M 7DJ. 01-628 8131

Life Assur. Co. of Pennsylvania
8, New Rd., Chatham, Kent. Medway 812348

LACOP Units	113.54	14.22	+1.07	—

Lloyds Life Assurance
20, Clifton St., EC2A 4HX. 01-920 0202

Multi Gwth Aug. 6	£2.1535			—
MltGwth ACap Aug. 6	213.9	226.2		—
Do. 8 Prop Sept. 23	228.4	240.6		—
Op and Equity Sept. 23	231.8	246.2		—
Op 8 Hy Sept. 23	226.4	238.4		—
OP 8 Man Sept. 23	251.8	264.9		—
Op 8 Dep Sept. 23	172.7	181.8		—
Op In 8 Sept. 23	125.4	132.0		—
Op 8 Inc D Sept. 23	108.3	114.1		—
Op In Mid Sept. 23	125.3	131.9		—
Op 8 US$ Fl Sept. 23	113.9	119.9		—
Pens Pr Ac Sept. 15	243.1	255.9		—
Pens Pr Cp Sept. 15	181.7	191.3		—
Pens Eq Ac Sept. 15	607.4	639.4		—
Pens. Eq. Cp. Sept. 15	453.9	477.8		—
PenFxdAc Sept. 15	308.9	325.2		—
Pens Fxd Sept. 15	230.8	243.0		—
Pens Mng Ac Sept. 15	411.5	433.2		—
Pens Mng Cp Sept. 15	307.5	323.7		—
Pens Dp Ac Sept. 15	251.5	264.8		—
Pens Dp Cp Sept. 15	188.0	197.9		—

Pearl Assurance (Unit Funds) Ltd.
252 High Holborn, WC1V 7EB. 01-405 8441

Inv. Prop. Dist.	133.0	140.0		—
Inv. Prop. Acc.	176.5	185.8		—
Inv. Equity	184.6	194.4		—
Inv. Managed	173.5	182.5		—

Pearl Assurance (Unit Linked Pensions) Ltd.

Ret. Managed	148.4	156.3		—

Phoenix Assurance Co. Ltd.
4-5 King William St., EC4P 4HR. 01-626 9876

Wealth Ass.	189.1	199.1		—
Eb'r. Ph. Eq. E.	120.7	128.5		—

Pioneer Mutual Insurance Co. Ltd.
16, Crosby Rd., N. Waterloo, L'pool. 051-928 6655

Managed Fund	129.2	137.3		—
Man Pens Inc Fd.	139.2	146.4		—
Man Pens Cap Fd.	139.2	146.4		—

Planned Savings Group
68, East Street, Horsham. 0403 50255

1st Managed	72.8	77.5		—
1st Fixed Interest	87.8	93.5		—
4th Managed	64.4	68.5		—
5th Managed	70.1	74.6		—
Pension Managed	75.8	80.6		—

Premium Life Assurance Co. Ltd.
Eastchester Hse., Haywards Heath. 0444 458721

American Tech. Fd.	113.8	118.0	+1.0	—
Building Soc. Fd.	109.0	114.0		—
Balanced	119.0	126.0		—
Data Mangd. Fd.	97.0	102.0	+1.0	—
Deposit	114.0	120.0		—
Gilt	123.0	130.0		—
Natural Resources	79.0	84.0		—
Property	128.0	135.0		—
UK Equity	108.0	114.0		—
International Equity	95.0	100.0		—

Prop. Equity & Life Ass. Co.

Barclays Unicorn International
1, Charing Cross, St. Helier, Jersey. 0534 73741

Unigilt Trust	43.7	45.3		12.00
Unidollar Trust	$21.95	22.54		2.00
Unibond Trust	$85.17	85.94		11.6
1, Thomas St., Douglas, Isle of Man				0624 4856
Unicorn Aust. Ext.	54.0	58.1		2.1
Do. Aust. Min.	49.0	52.7		2.3
Do. Grtr. Pacific	110.8	119.2		—
Do. Intl. Income	31.3	33.7		9.5
Do. Isle of Man Tst.	46.9	50.5	+0.8	9.5
Do. Manx Mutual	46.4	49.9		2.20

Bishopsgate Commodity Ser. Ltd.
P.O. Box 42, Douglas, I.o.M. 0624-23911

ARMAC* Sept. 6	$51.33	54.58		—
COUNT** Sept. 6	£3.133	3.323		1.58
CANRHO** Sept. 6	£1.618	1.716		—
MAPSA* Aug. 2	$9.58	10.19		—

Original issue *$10 and **£1. Next val. Oct. 4.

Bridge Management Ltd.
GPO Box 590, Hong Kong

N'bashi Aug. 31		Y25,694		—
Nippon Fd Sept. 22	18.73	19.56		1.38

Britannia Intl. Investment Mngmt. Ltd.
Box 271, Queensway House, Queen Street, St. Helier, Jersey C.I. 0534-73114

U.S. Dollar Denominated Funds				
Am. Smaller Cos. Fd.	$1.481	1.595	+0.006	—
Gold Fund*	$0.946	1.017	+0.002	5.21
First Intl.	$224.99	225.97		—
Universal Grwth Fund	$0.814	0.875	+0.006	—
Dollar Income Fd.	$0.770	0.825	+0.002	11.82
Normandie Intl. $Fd.†	$9.50	10.00		—

†New dealing Sept. 20.

Sterling Denominated Funds				
American Investments	56.5	60.8	+0.2	4.00
Australian Perf. Fd.	69.7	74.9	+2.7	—
Far East Fund	80.2	86.2	+0.1	1.00
First Sterling	18.98	19.18		—
Jersey Energy Tst.	15.5	16.7	+0.1	1.50
Jersey Gilt*	22.3	23.6	+0.1	11.45
U.K. Growth Fund	45.2	48.6	+2.5	3.78
USM Fund*	105.7	113.7	+0.1	—
Sterling Deposit Funds				
Managed Crncy. Fd.*	£12.34	12.99	-0.03	7.26
Capital Dep. Trust**	£14.59	14.60		0.25
Britannia Fund Managers I.O.M.				
1, Thomas Street, Douglas, I.o.M. 0624 4856				
Gilt Trust (I.O.M.)	96.8	98.8		11.75

*Daily Dealing—Other Funds Weekly Mondays.
**Tuesday Weekly-Capital Return 9.35%.

Brown Shipley Tst. Co. (Jersey) Ltd.
P.O. Box 583, St. Helier, Jersey. 0534 74777

Sterling Bd. Fd. (b)	£10.28	10.34	-0.03	12.38
Sterling Cap. Fd. I (a)	14.95	14.85		—
Int. Cur. Fd. (a)(b)	101.5	107.0		—

Granville Management Limited
P.O. Box 73, St. Helier, Jersey. 0534 73933

Granville Inv. Tst.	66.53	6.98		4.68

Next dealing day Sept. 15.

Guinness Mahon Int. Fund (Guernsey)
PO Box 188, St. Peter Port, Guernsey. 0481 23506.

US$ Price	$19.42	20.15		8.82
£ Sterling Equivalent	£11.32	11.75		10.65
S.D.R. Equivalent	17.98	18.65		9.37

Prices at Sept. 16. Next dealing Sept. 30.

Hambro Pacific Fund Mgmt. Ltd.
2110, Connaught Centre, Hong Kong

Far Eastern Sept. 22	HK$20.69	22.11		—
Japan Fund Sept. 25	$8.59	9.20	-0.08	—

Hambros Fd. Mgrs. (C.I.) Ltd.
P.O. Box 86, Guernsey. 0481-26521

Capital Reserve Fd.†	£15.41	15.43		0.29
C.I. Fund	249.9	266.1		2.86
Special Sits. Fund	84.4	89.9		3.15
Sterling Income Fund**	113.7	119.1		12.59
Dollar Income Fund	$1.063	1.111		12.15
Trans. Nat. Trust	$0.935	0.985		3.26
Intnl. Bond	$105.17	110.71		9.34
Int. Equity	$14.20	14.95		1.78
Int. Svgs. 'A' $US	$1.45	1.52		—
Int. Svgs. 'B'	$1.59	1.67		—
Galleon Ass. Fund 'A'	$1.036	1.057		—
Galleon Ass. Fund 'B'	$1.014	1.015		—

†Excludes initial charge on small orders.

Henderson Admin. & Man. (Guernsey)
7 New St., St. Peter Port, Guernsey. 0481 26541/2

American (US cents)	125.4	132.0		—
Nat. Res. (U.S. cents)	106.7	112.3		—
Gilt Fund	£10.40	11.09	-0.03	11.60

Henderson Baring Group
801, Gloucester Tower, 11, Pedder St., Hong Kong.

Australia*	$7.81	8.42	+0.49	—
Japan Tech.	$14.76	15.78		—
Japan Fund	$22.55	24.10		—
Malay Sing.	$15.18	16.35		—
Pacific Fd.	$10.620	11.229		—
Bond Fd.	$10.507	11.032	+0.144	10.88

Weekly dealings.

Hill-Samuel & Co. (Guernsey) Ltd.
8 LeFebvre St., St. Peter Port, Guernsey, C.I.

Guernsey Tst.	228.3	244.2	+1.2	3.26

Hill Samuel Investment Mgmt. Intnl.
P.O. Box 63, Jersey. 0534 76029

UK Equities (C.I. Fd.)	154.7	165.6		3.50
UK Gilt (Jy. Fxd. Int.)	104.0	110.0		11.25
Int. Man. (Growth Fd.)	118.8	125.9		—
Intl. Currency Fund				
D. Mark	10.78	—	+0.05	—
£ Sterling	10.29	—	+0.01	—
Swiss Franc	10.17	—	+0.03	—
U.S. $	10.36	—	+0.01	—
Managed Fund	9.71	10.11	-0.03	—
Box 2622, Berne, Switzerland. Telex 33425				
H.S. Overseas Fd.	$24.32	25.29	-0.14	—
Balanced (CSF Fund)	$19.80	21.08		—
Far East (Crossbow)	$6.07	6.42	-0.04	—
Technology (ITF Fd.)	$11.52	12.27	-0.12	—

HK Fund Managers (Jersey) Ltd.
Queens Hse., Don Rd., St. Helier, CI. 0534 71460

Quest Fund Man. (Jersey) Ltd.
P.O. Box 194, St. Helier, Jersey. 0534 27441.

Quest Stlg. Fxd. Int.	£0.812	0.860		12.450
Quest Intl. Secs.	$0.869	0.935		1.28
Quest Intl. Bd.	$0.902	0.849		12.900

Prices on Sept. 22. Next dealing Sept. 29.

Quilter/Heinold Commodities
31-45, Gresham Street, EC2V 7LH. 01-600 4177

Resc. Fd. Int. Sept. 1	$1,548.35	+33.0		1.94

Next dealing date Oct. 1.

RBC Investment Managers Limited
PO Box 246, St. Peter Port, Guernsey. 0481-23021.

Intl. Income Fd.	$9.39	9.99		—
Intl. Capital Fd.	$10.58	11.21	+0.16	—
North America Fd.	$4.35	4.79		—

Ramlaco Managers Ltd.
P.O. Bx. 1549, Hmltn., Bermuda. (809-29) 2-7979

Ramlaco Sept. 6	$8.86	9.13		—

Richmond Life Ass. Ltd.
4 Hill Street, Douglas, I.O.M. 0624 23914

Coin Trust	32.7	35.0		—
Diamond Bond	67.6	72.4		—
Gold Bond	254.2	270.1	+2.5	—
Managed Fund	139.9	149.9		—
Petroman Oil Trust	100.6	107.8		13.80
Do. $	1.727	1.845		13.80
Sapphire Trust	164.7	176.8		—
Silver Trust	208.7	215.4	+0.6	—
Sterling Deposit Bd.	153.28	161.39		9.28
UK Gilt Fund	152.3	161.9		—

Rothschild Asset Management (C.I.)
P.O. Box 58, St. Julians Ct., Guernsey. 0481-26741.

O.C. America Fd.*	$2.32	2.45		0.81
O.C. Sm. Co.***	144.1	153.2		1.80
O.C. Commodity†	79.0	83.7		3.45
O.C. Dir. Comdty.*	$30.39	32.21		2.96
O.C. Hong Kg. Fd.††	HK$33.98	36.08		—

—O.C. International Reserves Limited

Bel. Francs (Fin.)	785.19	Italian Lira	31,524
Canadian $	34.018	Singapore $	59.60
D-Mark	48.42	£ Sterling	13.392
Dutch Guilder	48.80	Swiss Francs	44.727
French Francs	138.28	U.S.$	27.139

*Prices on Sept. 21. Next dealing Oct. 7.
†Prices on Sept. 14. Next dealing Sept. 30.
**Daily dealings. ***Sept. 15. Next dealing Sept. 30.

Save & Prosper International
Dealing to:
P.O. Box 73, St. Helier, Jersey. 0534 73933

Fixed Interest Funds				
Deutschemark Bd.***‡	9.43	9.98		5.52
Dlr. Fxd. Int.***‡	8.06	8.56		10.28
St. Fixed***‡	118.5	124.3		11.37
Yen Bond***‡	119.1	125.5		3.98
Equity Funds				
UK Growth Fund***	106.3	113.0		1.88
Internatl. Gr.**‡	97.01	9.75		—
Far Eastern**‡	14.40	15.57		—
North American**‡	6.33	6.86		—
Sepro**‡	16.16	17.49		—
Commodity Funds				

OFFSHORE AND OVERSEAS

NOTES

FT SHARE INFORMATION SERVICE

BRITISH FUNDS

1982 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
		"Shorts" (Lives up to Five Years)				
100	94⅞	Exch. 8¾pc 1983	99¾	.....	8.77	9.36
97⅞	91	Exch. 3pc 1983	97⅞	+⅛	3.07	8.40
101⅛	95¼	Treasury 12pc 1983‡‡	101⅛	.....	11.87	9.56
100¼	92⅞	Treasury 9½pc '83	99½	−⅛	9.30	9.84
104¼	96⅞	Exch. 13½pc '83	103½	−⅛	13.04	10.10
101	91⅞	Exch. 10pc 1983	100	−⅛	10.00	9.94
96½	87⅞	Funding 5½pc '82-84‡‡	96½	.....	5.70	8.35
103⅝	91⅞	Exch. 11¼pc 1984	102	−⅛	11.03	9.62
107⅛	96¼	Exchequer 14pc 1984	105	−⅛	13.33	10.57
93⅝	81⅛	Exch. 3pc 1984	92½	.....	3.24	7.71
104½	91½	Treasury 12pc 1984	[illegible]	−¼	11.65	10.38
110⅛	96¼	Treasury 15pc 1985	108⅝	−¼	13.81	10.78
107⅝	89½	Exch. 12pc Cnv. '85	104⅝xd	−⅛	11.48	9.93
90	73½	Treasury 3pc 1985	88½	.....	3.39	7.89
104⅛	87½	Treasury 11½pc 1985	102	−¼	11.27	10.63
105⅝	88⅝	Exch. 12¼pc 1985	103⅝	−¼	11.85	10.92
104⅜	86⅝	Exch. 11¾pc '86	102⅝	−⅛	11.48	10.87
87¼	69	Treasury 3pc 1986	85¼	.....	3.50	7.54
104⅞	86⅜	Treasury 12pc '86	103⅝	−¼	11.61	10.04
96⅜	80⅝	Treasury 8¼pc '84-86‡‡	96½	.....	8.81	9.60
109⅛	96⅜	Treas. 12¾pc '86 Cnv.	108½	−⅛	11.29	9.52
111	91⅞	Exch. 14pc 1986	110½xd	−⅛	12.71	10.89
109	90	Exch. 13¼pc 1987	108	−⅛	12.27	10.85
41⅛	39⅝	Exch 10½pc '87 (£40pd)	40⅝	−⅛	10.54	10.60
91⅛	73⅞	Funding 6½pc '85-87‡‡	90⅝	−⅛	7.15	8.96
84⅝	64½	Treasury 3pc 1987	82½	−½	3.64	7.40
		Five to Fifteen Years				
107⅞	85⅞	Treas. 12pc 1987	102	−½	11.75	11.40
105	99⅝	Treas 12pc 1987 'A'	[illegible]	−½	11.71	11.35
94⅜	72½	Treasury 7¾pc '85-88‡‡	94⅛	−½	8.34	9.46
—	—	[illegible]	[illegible]	.....	10.94	11.49
78½	60⅛	[illegible]	[illegible]	−¼	4.00	8.52
101⅛	79⅞	[illegible]	[illegible]	−⅛	11.69	[illegible]
79⅝	62½	[illegible]	[illegible]	−¼	6.39	9.27
109⅛	65⅞	[illegible]	[illegible]	−⅛	[illegible]	11.90
104⅛	85⅝	[illegible]	[illegible]	−½	[illegible]	11.95
92	70⅛	[illegible]	[illegible]	−¼	9.23	10.26
102⅛	77⅞	[illegible]	[illegible]	−⅛	[illegible]	11.97
77	57⅜	[illegible]	[illegible]	−¼	7.32	9.82

[illegible]

Over Fifteen Years

[illegible]

Undated

[illegible]

Index-Linked & Variable Rate

[illegible]

INT. BANK AND O'SEAS GOVT. STERLING ISSUES

[illegible]

CORPORATION LOANS

[illegible]

COMMONWEALTH AND AFRICAN LOANS

[illegible]

LOANS

Public Board and Ind.

[illegible]

LOANS—Continued

Financial

[illegible]

Building Societies

[illegible]

FOREIGN BONDS & RAILS

[illegible]

AMERICANS

[illegible]

CANADIANS

[illegible]

BANKS AND HIRE PURCHASE

[illegible]

BANKS & H.P.—Cont.

[illegible]

Hire Purchase, etc.

[illegible]

BEERS, WINES AND SPIRITS

[illegible]

BUILDING INDUSTRY, TIMBER AND ROADS

[illegible]

CHEMICALS, PLASTICS

[illegible]

CHEMICALS, PLASTICS—Cont.

[illegible]

DRAPERY AND STORES

[illegible]

ELECTRICALS

[illegible]

ELECTRICALS—Continued

[illegible]

ENGINEERING MACHINE TOOLS

[illegible]

FOOD, GROCERIES, ETC.

[illegible]

FOOD, GROCERIES—Cont.

[illegible]

HOTELS AND CATERERS

[illegible]

INDUSTRIALS (Miscel.)

[illegible]

INDUSTRIALS—Continued

INSURANCES

LEISURE

LEISURE—Continued

MOTORS, AIRCRAFT TRADES

Motors and Cycles

Commercial Vehicles

Components

Garages and Distributors

NEWSPAPERS, PUBLISHERS

PAPER, PRINTING ADVERTISING

PROPERTY

PROPERTY—Continued

SHIPPING

SHOES AND LEATHER

SOUTH AFRICANS

TEXTILES

TOBACCOS

TRUSTS, FINANCE, LAND

Investment Trusts

INVESTMENT TRUSTS—Cont.

Finance, Land, etc.

OIL AND GAS

OIL AND GAS—Continued

OVERSEAS TRADERS

PLANTATIONS

Rubbers, Palm Oil

Teas

MINES

Central Rand

Eastern Rand

Far West Rand

O.F.S.

Finance

Diamond and Platinum

MINES—Continued

Central African

1982 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
200	75	Falcon Rh.50c	180	......	Q25c	10.5	6.9
33	19	Wankie Col. Z$1	20	......	1½p	2.2	8.1
21	12	Zam.Cpr.SBD0.24	16				

Australians

Tins

Miscellaneous

1982 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
40	20	Anglo-Dominion	35	+5	—	—	—
16½	12	Burma Mines 10p	13½	......	0.55	1.0	5.8
130	27	Colby Res. Corp.	125	+15	—	—	—
292	170	Cons. Murch. 10c.	250	......	$Q60c	1.9	‡
8	1½	‡‡Exploura Gold	2½	......	—	—	—
105	55	Highwood Res.	87	+2	—	—	—
255	160	Northgate C$1	235	......	—	—	—
468	344	R.T.Z.	425	−2	16.0	1.6	5.4
£108½	£84	Do.9¾%Cv.Ln.95-2000	£102½	+½	Q9½%	23.9	9.5
20	11	Sabina Inds. C$1	13	......	—	—	—
44	27	♦Southwest C. 10p	39	......	—	—	—
500	270	Tara Exptn. $1	375	+50	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ♦ Figures or report awaited.
- ♦ USM: not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- ‡‡ Dealt in under Rule 163(3).
- # Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ♦ Merger bid or reorganisation in progress.
- ♦ Not comparable.
- ♦ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ¤ No par value.
- ♥ Rate applicable to non-Zimbabwean residents.

§§ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Subject to local tax. x Dividend cover in excess of 100 times. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1983-84. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1982. K Figures based on prospectus or other official estimates for 1981-82. M Dividend and yield based on prospectus or other official estimates for 1983. N Dividend and yield based on prospectus or other official estimates for 1982-83. P Figures based on prospectus or other official estimates for 1982. Q Gross. T Figures assumed. Z Dividend total to date. Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xR ex capital distribution.

REGIONAL AND IRISH STOCKS

The following is a selection of regional and Irish stocks, the latter being quoted in Irish currency.

OPTIONS

3-month Call Rates

A selection of Options traded is given on the London Stock Exchange Report page

"Recent Issues" and "Rights" Page 22

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £600 per annum for each security

FINANCIAL TIMES

Saturday September 25 1982

MEN IN THE NEWS

Two new brooms in the NHS

BY JOHN LLOYD

INDUSTRIAL disputes make or break not just companies and unions, but the reputations of union officials and managers in the front line.

The health service dispute has brought before the British public the craggy features of Mr Albert Spanswick, general secretary of the Confederation of Health Service Employees and chairman of the TUC's health services committee. The public has plainly found it difficult to think ill of Mr Spanswick, so patent is his sincerity. He is an unlikely leader, but perhaps the best one for a dispute with so many moral difficulties for the participants.

More important in the long term, however, the dispute sees

Trevor Clay and Rodney Bickerstaffe

the emergence of two new union leaders who have had to bear the burden of a full-scale confrontation as soon as they entered office. Rodney Bickerstaffe, the general secretary of the National Union of Public Employees and Trevor Clay, general secretary of the Royal College of Nursing, took over from their long-serving predecessors in the glare of publicity.

Both men are in their thirties —young for union bosses—both are bright and articulate, appear self confident, and are already incommand of their organisations (which both are likely to change). But they are at almost opposite ends of the trade union spectrum.

Bickerstaffe takes over Nupe as the fifth biggest of the TUC's affiliates and with the reputation of being the furthest Left of the major unions. Its officer corps is a byword for militant leftism: its shop sewards have excited the satiric ire of film and TV programme makers. It has also often been unpopular with other unions, which have accused it of poaching on a scale which breaches the traditionally flexible Marquis of Queensbury rules—or Bridlington Agreement—which keep union recruitment this side of anarchy.

Poaching kept its general secretary off the general council for years after its size dictated otherwise, and still gives it only one representative while smaller unions have two. It has only once, and briefly, had a seat on Labour's NEC. Bickerstaffe wants to change that.

He sees a chance of doing so, partly through a successful prosecution of the health service dispute, partly through bringing the TUC behind Nupe's favourite—and often forlorn—campaign on low pay. With the backing of the General and Municipal Workers, he has got action on low pay on the TUC's agenda; and he and his officers are working like fury to ensure that the health dispute remains the TUC's number one campaign. His initially indifferent public speaking style has picked up quickly, and he remains accessible and effective, clearly relishing the strain of battle.

Clay has had much less exposure. His union is not affiliated to the TUC, does not take industrial action, is traditionally discrete.

Clay may prove to be something of an iconoclast in the RCN, but only according to its own lights. He has appeared much more like a (very moderate) union leader than his predecessor, Dame Catherine Hall. He has forecast that his members might vote to scrap the College's no-strike rule. The TUC hopes to net him and his 180,000 members.

He will, however, go carefully. While Mr Bickerstaffe and his colleagues prepare plans for more action, he is carrying on talking to the Government about a new deal.

Steel opens drive for votes

BY PETER RIDDELL, POLITICAL EDITOR

MR DAVID STEEL, the Liberal leader, launched a pre-election campaign yesterday and attempted to turn his party outward from its recent squabbling with the Social Democratic Party about parliamentary seats.

His main address to the Liberal Assembly in Bournemouth concentrated on the economic recovery programme and on seeking to establish the Liberals as a "responsible Opposition now, and a credible alternative government at the next election."

He strongly attacked Mrs Thatcher and the Tory record, devoting little time to Labour.

A significant feature was his attempt to tap the "disillusionment and disaffection" of young people with an idealistic appeal, and exploit the growing campaign for nuclear disarmament.

The playing of the "populist" card reflects concern among senior Liberals that the party and the Alliance have so far had only limited success in winning the support of the under 25s.

Mr Steel's aim in his speech was to start the relaunch of the Alliance, a theme which will be taken up today in a speech to the Assembly by Mr Roy Jenkins, the SDP leader.

The signs last night were that Mr Steel had generally succeeded in taking his party with him this week. There is still some grumbling among local activists about the seats deal, but there is general recognition that negotiations are over.

Some activists in seats handed over to the SDP will watch to see if the SDP is effective in establishing a presence.

Otherwise the Assembly has been low-key, with a self-conscious willingness to compromise and be responsible in "preparing for government," the slogan of the conference. The leadership has won approval for joint Alliance proposals.

The key test of Mr Steel's campaign and of the mood of the activists will be in forthcoming by-elections at Peckham in South London and in Birmingham Northfield.

Mr Steel sharply attacked Mrs Thatcher for use of the Falklands campaign for "the greater glory of herself and her party. As she plans her parade, she should learn that there is a difference between patriotism and jingoism."

He stressed the joint Alliance economic recovery programme, aimed at taking 1m people off the unemployment register over three years, and adding £5bn a year to public-sector borrowing for three years.

To prevent recovery drifting into inflation, the programme would be anchored in a sustainable incomes policy. He conceded that establishing "a fair, firm and sustainable" policy would not be easy, reflecting the uncertainties within both Alliance partners over the form of such a policy.

Mr Steel made plain that the Liberals would oppose Government proposals to sell state industries such as British Telecom.

"We shall fight doctrinaire privatisation by the Tories as fiercely as we have fought doctrinaire nationalisation by Labour. British industry desperately needs a period of stability."

On foreign policy he advocated a new international charter, as "fundamental and far-reaching as the post-war settlement," covering disarmament, Third World development, finance and monetary systems.

On defence he carefully dodged the divisions in the Liberal Party on unilateral disarmament, and sought to exploit demand for general disarmament and controls of arms sales. He pledged cancellation of the Trident project and urged international agreement at Geneva on multilateral disarmament.

Conference reports, Page 4

HEAD OF ISRAEL'S SUPREME COURT REJECTS BEGIN PLEA

Massacre inquiry move falters

BY DAVID LENNON IN TEL AVIV

MR YITZHAK KAHAN, president of Israel's supreme court, yesterday rejected an Israeli government request that he undertake an immediate investigation into the massacre of Palestinian refugees in Beirut.

A number of ministers, as a result, say they intend to renew calls for a state committee of inquiry when the Cabinet meets again on Tuesday.

Public pressure in Israel for an examination of the slaughter last weekend has grown as details of Israel's involvement in the massacre hav emerged.

The Israeli Press revealed that Israel had decided to let the Lebanese Christian Phalangist forces into the Palestinian refugee camps even before the Israeli troops moved into West Beirut last Wednesday.

Israel initiated the idea of sending the forces into the camps, according to the Israeli press, and the timing of their entry was co-ordinated in two meetings between the commanders of the Israeli army and the Phalangist commanders.

It was further revealed that Israel supplied the Phalangists with maps and aerial photographs of the Sabra and Shatilla camps, where the killings took place, as well as firing flares on Thursday night to facilitate the operation. They were there ostensibly to clear the remaining pockets of PLO guerrillas within the camps.

Mr Menahem Begin, the Israeli Prime Minister, has refused seadfastly to appoint a public committee of inquiry. The upsurge of public outrage over what appeared to be a cover up of Israel's role in the killings led him to ask an emergency session of the Cabinet yesterday to approve the idea of an investigative judge.

The Cabinet decision coincided with the arrival in Israel of Mr Philip Habib, the U.S. special mediator, who returned to resume his peace keeping efforts. At the same time, the first detachment of the multinational peacekeeping force arrived in Beirut.

Anatole Kaletsky in Washington adds: Orders issued to the 800 U.S. marines landing in Beirut this weekend will be considerably tougher than those for their mission there last month, according to U.S. Administration officials. The troops have been told to stand their ground and to return fire, in certain circumstances in case of attack.

The orders were decided at a Cabinet debate in which Mr Caspar Weinberger, Defence Secretary, is believed to have been over-ruled in his efforts to protect the marines from any possibility of military engagement.

● American and British delegates last night stormed out of the annual conference of the International Atomic Energy Agency, the arm of the United Nations which manages safeguards against the proliferation of nuclear weapons. They were protesting about a vote to suspend Isreal from membership.

Part-paid £1.25bn tap news hits gilts

BY WILLIAM HALL, BANKING CORRESPONDENT

THE Bank of England is taking advantage of the firm underlying trend in the gilt-edged market to raise £1.25bn through the issue of a new medium/short tap stock, 10½ per cent Exchequer 1988.

Prices of gilt-edged stock weakened after the news of the issue of the partly-paid stock, which surprised some dealers. Prices of some short-dated stock closed half a point down on the day and the FT Government Securities Index fell 0.25 to 78.8.

Nevertheless, dealers were still confident that interest rates, which have been on a plateau in the UK for the last month, will soon move lower and this will lead to a strong demand for the new issue.

The new stock will be issued by tender with a minimum price of £96 per cent and £20 payable initially. The next tranche of £40 will fall due on November 1 and the balance on December 6. Some £250m of the stock has been reserved for the National Debt Commissioners.

In the UK money markets there were further signs of a slight easing in interest rates. The average rate of discount at the weekly UK Treasury bill tender fell below 10 per cent again to 9.9670 per cent and the three month interbank rate fell by 1/16 of a per cent to 11 per cent.

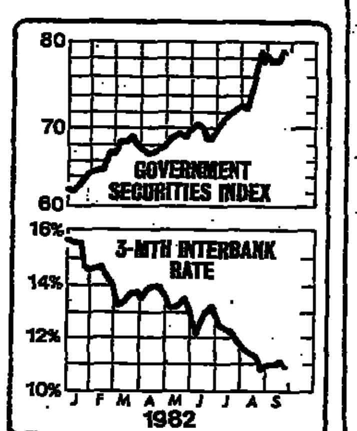
The Bank of England left its money market intervention rates unchanged for the fourth week but dealers noted some pressure for UK authorities to trim their dealing rates.

The Bank of England entered into sizeable repurchase agreements with the discount houses yesterday for the third day running—an indication that the houses believe rates are moving lower and are unwilling to sell commercial bills to the Bank at current rates. The Bank shaved 1/16 of a percentage point off the rate at which it did the repurchase.

In the foreign exchange markets the pound ended the week on a quiet note. It lost 30 points against the dollar closing at $1.7080. However, its trade weighted index was unchanged at 91.8.

The U.S. dollar moved ahead firmly and reached a five-year high against the Japanese yen at 266.36. It was also at its highest level for over a year against the Swiss currency at SwFr 2.1645.

Equity prices ended the week on a firm note with the FT Industrial ordinary share index rising 4.4 on the day to



581.6—giving a rise of 17.9 points on the week. The FT Actuaries 500 Index touched an all-time high of 400.46 but the All-share is still slightly below its all-time high.

Weather

UK TODAY

Cold and windy with scattered showers.

E, SE England

Cloudy with rain, clearing to showers with sunny intervals. Max 15C (59F).

Rest of England, Wales, Scotland, N Ireland

Bright or sunny intervals with showers, sometimes heavy. Max 15C (59F).

Outlook: Cold and unsettled.

WORLDWIDE

		Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	F	25	77	L. Ang.†	C	23	73
Algiers	S	30	86	Luxmbg.	C	15	59
Amsdm.	F	16	61	Luxor	S	35	95
Athens	S	27	81	Madrid	F	19	66
Bahrain	S	36	97	Majorca	F	27	81
Barclna.	F	26	79	Malaga	S	28	82
Beirut		—	—	Malta	S	27	81
Belfast	R	11	52	M'chstr	C	15	59
Belgrd.	C	21	70	Melbne.		—	—
Berlin	F	18	64	Mx. C.		—	—
Biarritz	C	23	73	Miami†	C	25	77
Bmghm.	C	16	61	Milan	C	20	68
Blackpl.	C	15	59	Montrl.†	F	11	52
Bordx.	C	18	64	Moscow	C	18	64
Boulgn.	F	17	63	Munich	C	15	59
Bristol	R	15	59	Nairobi	S	24	75
Brussels	F	17	63	Naples	F	25	77
Budpst.	F	19	66	Nassau		—	—
Cairo		—	—	N'wcstl.	C	15	59
Cardiff	R	15	59	N York		—	—
Cas'b'ca	F	25	77	Nice	F	23	73
Cape T.	S	17	63	Nicosia	S	27	81
Chicg.†	C	11	52	Oporto	R	16	61
Cologne	C	18	64	Oslo	R	11	52
Cpnhgn.	C	15	59	Paris	C	18	64
Corfu	S	26	79	Perth		—	—
Denver†	F	9	48	Prague	S	18	64
Dublin	R	11	52	Rykjvk.	S	7	45
Dbrvnk.	F	25	77	Rhodes	S	27	81
Ednbgh.	R	13	55	Rio J'o		—	—
Faro	F	23	73	Rome	F	25	77
Florence	C	23	73	Salzbrg.	F	18	64
Frankft.	F	18	64	S'cisco		—	—
Funchal	F	25	77	S. Mritz.		—	—
Geneva	C	12	54	Singapr.	F	31	88
Gibrltr.	F	26	79	S'tiago		—	—
Gl'sg'w	R	12	54	Stckhm.	F	15	59
G'nsey	R	15	59	Strasbg.	F	18	64
Helsinki	S	14	57	Sydney		—	—
H. Kong	C	29	84	Tangier	F	23	73
Innsbrk.	C	15	59	Tel Aviv	S	28	82
Invrnss.	C	12	54	Tenerife	F	26	79
I.o.Man	R	13	55	Tokyo	C	22	72
Istanbul	F	26	79	T'r'ntot	C	12	54
Jersey	C	17	63	Tunis	S	29	84
J'burg	S	22	72	Valencia	S	28	82
L. Pims.	F	25	77	Venice	F	21	70
Lisbon	C	20	68	Vienna	S	17	63
Locarno	C	17	63	Warsaw	C	13	55
London	F	16	61	Zurich	F	14	57

C—Cloudy, F—Fair, R—Rain, S—Sunny.
† Noon GMT temperatures.

Third of Matchbox workers face axe by Hong Kong buyer

BY CARLA RAPOPORT

A HONG KONG toy manufacturer has bought Matchbox Toys from the joint receivers of Lesney Products, the British toy company which went into receivership last June.

The new owner, Universal International Holdings, intends to cut Matchbox's UK workforce by approximately a third, from 2,500 to about 1,700 workers. Mr Robert Simpson, the new managing director of Matchbox, said: "This way Matchbox will be viable. The way we see it, Universal has saved 1,700 jobs."

Universal is believed to have paid about £20m for Matchbox, which has sales of around £40m world-wide thanks primarily to its miniature cars. Universal, which manufactures in the Hong Kong-based toy company, which manufactures in Hong Kong, Macau, China, Japan and U.S., claims to have annual sales of more than £100m.

Lesney Products collapsed owing about £25m to a consortium of banks led by Midland. The first to be repaid following yesterday's sale are preferential creditors including the Inland Revenue, local authorities and other government bodies, owed about £3-£4m. The banks will then recoup more than half their debt. Unsecured creditors and shareholders of Lesney are almost certain to receive nothing.

Matchbox's production workforce is split between two locations, one in Hackney, north London and the other in Rochford, Essex. The new owner has decided to consolidate manufacturing activities at one site, but has yet to decide which one it will be.

The Greater London Council is already in talks with Universal and has offered various means of support for the company if the Hackney site is maintained.

Mr Simpson, who previously handled the marketing and sales operation in Europe for Universal, said of Matchbox: "They were great tool-makers, great engineers, but they lost their way a bit when it got to marketing. We think we can add our marketing flair to their skills."

The UK manufacturing base will also be a springboard for Universal into the European market.

Universal, which was founded in the mid-1960s, makes and distributes a wide variety of toys, including the Brooke Shields doll, various electronic toys, radio-controlled toys, and pre-school toys. It has been selling toys in the UK for the past 18 months and has achieved the best sucess with its action toys, such as Power Blaster, a pull-string motor-bike, and Rough Rider, a four-wheel-drive toy car which climbs walls and flips over.

Universal claims that its Burnin' Key car was among the top 10 best-selling toys in Britain during the month of August. The company also has the rights to the ET doll, a replica of the hero of the hugely successful American movie, ET—the Extra Terrestrial.

Mr David CW Yeh, Universal's chairman, said "We are very happy to acquire the Matchbox operation, which, in my opinion, is the best brand name for die-cast toys in the world."

With the new manufacturing base in the UK, he said Universal was set to "penetrate the Common Market."

Franc measures Continued from Page 1

after shipment to sell forward the foreign currency proceeds of exports against French francs. A major loophole emerged as multinationals increasingly invoiced exports in French francs.

The Government is also expected to announce that importers will have to borrow foreign currency in making payments. Under existing foreign exchange regulations, French importers are not permitted to make forward purchase of foreign currencies but must settle at the spot rate on the day of payment. In future they will be required to borrow their foreign exchange requirements and make payment on the maturity of the borrowing. The effect will be to increase the cost of imports.

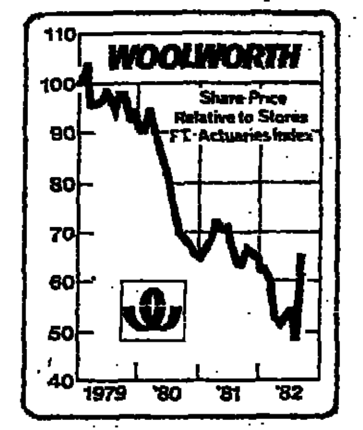
As speculation of the proposed measures spread in the foreign exchange markets yesterday the franc strengthened. At the fixing in Paris it was FFr 2.8233 against the D-mark as compared with FFr 2.8258 on Thursday.

THE LEX COLUMN

Finding a future for Woolworth

Discussion of how big a "giveaway" the Chancellor can afford his pre-election budget has brought a political dimension back to the stock market. The thought of a bit of spending power did equities no harm yesterday, and did not really distress gilt-edged, which stayed near five-year higs despite a £1bn short-mediu tap.

Index rose 4.4 to 581.6



Woolworth

What do you do about Woolworth's problems of vanishing profitability, High Street identity crisis, and embarrassingly valuable properties? You can give up—or start again. Giving up means, effectively, performing an asset strip on the property portfolio; Woolworth, though not a particularly easy job, would be much simpler to break up than a department store group. Starting again means looking for a new trading solution, presumably with new management.

The package with which Charterhouse Japhet, backed by a number of disgruntled Woolworth shareholders, has approached the company's U.S. parent will certainly purport to offer a trading solution. (It is not yet clear whether the institutions' readiness to take the initiative is the sign of a new proprietorial aggressiveness, which could have all sorts of implications for investors and managements, or simply reflects unprecedented levels of irritation at poor performance.) A trading solution there may be, but it is almost inconceivable that a major programme of disposals can be avoided.

For a start, the big and small Woolworth stores *do* not fit together. And the proposals as so far exposed suggest a highly geared capital structure, with three quarters of the present Woolworth equity being replaced with debt. This would not be a problem in published balance sheet terms, since the equity would be bought out at less than half current cost valuation. But the revenue account could be swamped by interest charges — unless a programme of disposals were set in train while the new management gingered up those invisible margins.

Nobody should be under the impression that that would be an easy job. Putting together a fancy financial package is one thing: refloating a beached whale quite another. The present management of Woolworth in the UK does not receive honorary degrees from the best business schools — but that does not mean that a distinguished bunch of semi-retired executives can work instant miracles in a deteriorating retail climate.

The price offered to Woolworth in the U.S., and thus all minority shareholders, cannot represent a conventional bid premium — certainly the rumoured price of 82p does not. It is a price at which a consortium is prepared to buy out the parent, and cautious minority holders, for the sake of getting better management into the group. One question that has to be asked is whether the parent is a forced seller at this price — is it really the best financial option available to it? The parent's profitability is poor, and its debt rating has twice been downgraded recently, but it does not look in desperate need of cash. Woolworth's UK advisers will no doubt be moving heaven and earth to put an alternative package together — a straight counterbid may not be the only possibility.

If consortium bids are going to become more common, there will be a need to work out best practice in respect of share quotations. This time there was a suspicious run-up in Woolworth shares—20 per cent on the price in the week before suspension—one of those situations that cry out for a Stock Exchange whitewash. And then the decision—at the British company's request—to requote the price is a little odd when there are more insiders in the City than Father Christmas in the High Street in December. No wonder that in the same week as the Woolworth drama an American company—ISC—chose to have its shares quoted in London rather than New York, for in London they ask fewer questions.

Aurora Holdings

Results from a string of major engineering groups have shown over the last week what a buffeting the real economy is givingfi to anyone who messes around with metal for a living. Yesterday, in a smaller way, Aurora Holdings showed the impact of the same pressures as it struggled through to half year pre-tax profits of £283,000 against a £221,000 loss last year.

Aurora has had its back to the wall for the last two years. But it has also taken drastic action to stave off disaster. The payroll has been virtually halved, nine subsidiaries were closed in 1981, and the special steels business has been put through the wringer.

Pre-tax losses last year amounted to £5.2m, and after heavy extraordinary write-offs for closures and redundancies shareholders funds were halved to £11m. Against this deteriorating equity stands a mountain of debt. On a generous basis, net borrowings at the end of last year amounted to about £35m. If the preference capital — mostly redeemable — is also counted as debt, the figure rises to £43m.

The debt: equity ratio has probably worsened slightly in the first half, with attributable losses of £144,000 and borrowings slightly up to finance further closures. The group would get some boost to reserves and bring borrowings down if it could sell its profitable Australian subsidiary. But the sale would also take out a sound profit earner, and has anyway been shelved because of the lack of buyers at the right price. It should, however shortly receive a lump of Government money towards the cost of closures already carried out.

This year there should be no big write offs, no UK tax and there will be no preference dividends, which cost £387,000 last year. The group also stresses that it is receiving full support from its bank, and it is making headway at the trading level, even if the overseas operations have now turned into recession. But it desperately needs a real economic upturn — in which the banks would presumably allow it some more headroom — and the share price, at 12p yesterday against book net assets of about 50p a share, amply demonstrates the current doubts about such a recovery. In a break-up, the equity would presumably have no value.